

# **MAITHON POWER LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAITHON POWER LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **MAITHON POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 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 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.

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 31 March, 2015, and its profit and its cash flows for the year ended on that date.

### **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 terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, 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. On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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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 **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)



*Alka Chadha*

**Alka Chadha**  
Partner  
(Membership No. 93474)

**GURGAON, 11 May, 2015**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S 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 Companies Act, 2013.
- 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 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 for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses 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.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and Generation, Transmission, Distribution and Supply of electricity Cost Accounting Records Rules prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 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, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year do not give rise to Wealth Tax and Excise Duty.

- b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year do not give rise to Wealth Tax and Excise Duty.

- c. There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2015 on account of disputes. We are informed that the Company's operations do not give rise to Wealth tax and Excise duty.

- 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. The Company does not have accumulated losses at the end of the financial year and the Company has not 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 and banks. The Company has not issued any debentures.

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 by the Company during the year for the purposes for which they were obtained.



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- 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**  
Chartered Accountants  
(Firm's Registration No. 015125N)



*Alka Chadha*

**Alka Chadha**  
Partner  
(Membership No. 93474)

**GURGAON, 11 May, 2015**

**MAITHON POWER LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2015**

	<u>Notes</u>	<u>As at 31.03.2015 ₹ Lacs</u>	<u>As at 31.03.2014 ₹ Lacs</u>
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	150,891.77	150,891.77
(b) Reserves and surplus	4	4,496.88	(16,554.43)
		<b>155,388.65</b>	<b>134,337.34</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	263,938.59	284,957.82
(b) Other long-term liabilities	6	411.11	251.52
(c) Long-term provisions	7	272.82	212.09
		<b>264,622.52</b>	<b>285,421.43</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	8	30,644.32	40,648.24
(b) Trade payables	9	7,351.59	18,818.05
(c) Current maturities of long-term borrowings	10	18,813.95	18,813.95
(d) Other current liabilities	11	21,035.53	16,857.61
(e) Short-term provisions	12	220.39	52.12
		<b>78,065.78</b>	<b>95,189.97</b>
<b>TOTAL</b>		<b>498,076.95</b>	<b>514,948.74</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	395,489.74	390,397.90
(ii) Intangible assets	14	7,257.23	3,697.56
(iii) Capital work-in-progress		22,257.13	29,484.98
		425,004.10	423,580.44
(b) Long-term loans and advances	15	5,540.45	9,571.98
		<b>430,544.55</b>	<b>433,152.42</b>
<b>2. Current assets</b>			
(a) Inventories	16	12,527.27	22,626.76
(b) Trade receivables	17	44,716.85	16,195.92
(c) Cash and cash equivalents	18	1,207.50	3,491.21
(d) Short-term loans and advances	19	3,213.37	13,333.93
(e) Other current assets	20	5,867.41	26,148.50
		<b>67,532.40</b>	<b>81,796.32</b>
<b>TOTAL</b>		<b>498,076.95</b>	<b>514,948.74</b>

See accompanying notes forming part of the financial statements

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In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

*Alka Chadha*  
**Alka Chadha**  
Partner



**For and on behalf of the Board of Directors**

*Anil Sardana*  
**Anil Sardana**  
Chairman

*Sanjeev Kumar Seth*  
**Sanjeev Kumar Seth**  
Director

*Ashok Sethi*  
**Ashok Sethi**  
Director

*Pradip Roy*  
**Pradip Roy**  
Chief Financial Officer  
and Company Secretary

Place: *Gurgaon*  
Date: *11 MAY, 2015*

Place: *MUMBAI*  
Date: *11 MAY, 2015*

**MAITHON POWER LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

	Notes	Year ended 31.03.2015 ₹ Lacs	Year ended 31.03.2014 ₹ Lacs
1. Revenue from operations (net)	21	231,770.88	233,820.17
2. Other income	22	105.42	4,080.07
<b>3. Total revenue (1+2)</b>		<b>231,876.30</b>	<b>237,900.24</b>
<b>4. Expenses</b>			
(a) Cost of fuel		117,618.18	131,355.06
(b) Cost of power purchased		448.98	712.96
(c) Employee benefits expenses	23	3,528.63	3,198.85
(d) Finance costs	24	34,618.88	42,836.90
(e) Depreciation and amortisation expenses	25	23,065.21	22,381.79
(f) Other expenses	26	26,216.60	27,116.74
<b>Total expenses</b>		<b>205,496.48</b>	<b>227,602.30</b>
<b>5. Profit before tax (3-4)</b>		<b>26,379.82</b>	<b>10,297.94</b>
<b>6. Tax expenses</b>			
Current tax		5,328.51	-
<b>Total tax expense</b>		<b>5,328.51</b>	<b>-</b>
<b>7. Profit after tax (5-6)</b>		<b>21,051.31</b>	<b>10,297.94</b>
<b>8. Earnings per equity share [face value of share ₹ 10 each]</b>	28.4		
Basic and Diluted (₹)		1.40	0.71

See accompanying notes forming part of the financial statements 1-32

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

*Alka Chadha*  
**Alka Chadha**  
Partner



**For and on behalf of the Board of Directors**

*Anil Sardana*  
**Anil Sardana**  
Chairman

*Sanjeev Kumar Sethi*  
**Sanjeev Kumar Sethi**  
Director

*Ashok Sethi*  
**Ashok Sethi**  
Director

*Pradip Roy*  
**Pradip Roy**  
Chief Financial Officer  
and Company Secretary

Place: *Gurgaon*  
Date: *11 MAY, 2015*

Place: *MUMBAI*  
Date: *11 MAY, 2015*

**MAITHON POWER LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

Notes	Year ended 31.03.2015 ₹ Lacs	Year ended 31.03.2014 ₹ Lacs
<b>A. Cash flow from operating activities</b>		
Profit before tax	26,379.82	10,297.94
Adjustments for:		
Depreciation and amortisation expense	23,065.21	22,381.79
Finance costs	34,618.88	42,836.90
Excess provision written back	-	(700.00)
Loss on sale/retirement of assets (net)	8.42	150.32
Profit on sale of current investments	(71.16)	-
Interest income	(16.46)	(292.42)
<b>Operating profit before working capital changes</b>	<b>83,984.71</b>	<b>74,674.53</b>
Changes in working capital:		
Adjustments for increase / (decrease) in operating assets:		
Inventories	10,099.49	(11,150.70)
Trade receivables	(28,520.93)	(5,674.16)
Short-term loans and advances	10,120.56	(5,904.40)
Other current assets	20,281.09	(7,918.78)
Long-term loans and advances	0.70	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(11,466.46)	9,635.65
Other current liabilities	10,409.61	(70.81)
Short-term provisions	168.27	30.55
Long-term provisions	60.73	(192.40)
<b>Cash generated from operations</b>	<b>95,137.77</b>	<b>53,429.48</b>
Income tax paid	(4,902.88)	(104.64)
<b>Net cash flow from operating activities (A)</b>	<b>90,234.89</b>	<b>53,324.84</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets (including capital advances)	(28,439.19)	(34,058.48)
Proceeds from sale of fixed assets	2,954.77	28.83
Purchase of current investments	(36,197.53)	-
Proceeds from sale of current investments	36,268.69	-
Interest received	16.46	292.42
<b>Net cash flow used in investing activities (B)</b>	<b>(25,396.80)</b>	<b>(33,737.23)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	7,400.00
Proceeds from long-term borrowings	-	311,133.99
Proceeds from short-term borrowings - Commercial paper	2,500.00	5,000.00
Repayment of other short-term borrowings	(12,503.92)	13,805.66
Repayment of long-term borrowings	(21,019.23)	(311,329.91)
Finance costs paid	(36,098.65)	(42,916.36)
<b>Net cash flow used in financing activities (C)</b>	<b>(67,121.80)</b>	<b>(16,906.62)</b>
<b>D. Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(2,283.71)</b>	<b>2,680.99</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>3,491.21</b>	<b>810.22</b>
<b>F. Cash and cash equivalents at the end of the year</b> (See note 18)	<b>1,207.50</b>	<b>3,491.21</b>

See accompanying notes forming part of the financial statements

1-32

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

*Alka Chadha*  
Alka Chadha  
Partner



For and on behalf of the Board of Directors

*Anil Sardana*  
Anil Sardana  
Chairman

*Sanjeev Kumar Seth*  
Sanjeev Kumar Seth  
Director

*Ashok Sethi*  
Ashok Sethi  
Director

*Pradip Roy*  
Pradip Roy  
Chief Financial Officer  
and Company Secretary

Place: Gurgaon  
Date: 11 MAY, 2015

Place: Mumbai  
Date: 11 MAY, 2015

**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 1: Background**

Maithon Power Limited ('the Company'), has been set up pursuant to an agreement entered into between The Tata Power Company Limited (TPCL) and Damodar Valley Corporation (DVC) with 74% and 26% shareholding respectively, to operate and maintain Electric power generating stations based on conventional / non-conventional resources, tie-lines, sub-stations and transmission lines connected therewith (referred to as 'the Project'). The Company has set up a thermal power generation plant (comprising of two units of 525 MW each namely 'Unit I and Unit II') at Maithon, Jharkhand with a total capacity of 1050 MW. Unit I and Unit II of the project were commissioned on 1 September, 2011 and 24 July, 2012 respectively.

**Note 2: Significant accounting policies**

**a. Basis of accounting**

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. Inventories**

Inventories comprises fuel, stores and spares parts, consumable supplies and loose tools and are valued at cost, net of provision for diminution in their value, if any. Cost is determined on weighted average cost 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.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**e. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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. Depreciation and amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets in respect of Buildings and Plant and Machinery - others is provided at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 in accordance with the provision of Schedule II of the Companies Act, 2013.

Depreciation on other 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 whose estimated useful life is assessed as 5 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, etc.

Assets costing upto Rs. 5,000 individually have been fully depreciated in the year of purchase.

Intangible assets are amortised over their estimated useful life on straight line method or 5 years, whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**g. Revenue Recognition**

Revenue from power supply is accounted for on the basis of billing to customers and includes unbilled revenues accrued upto the end of the year which is accounted on the basis of terms stated in the Power Purchase Agreements entered with the customers.

The Company determines surplus/deficit (i.e. excess/shortfall of/in tariff) for the year in respect of its long term power purchase agreements based on the principles laid down under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation, 2014 notified by Central Electricity Regulatory Commission (CERC) and on the basis of the Tariff Order issued by it. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on final tariff approval by CERC under the aforesaid Tariff regulations are made after the completion of such tariff approval.

Revenue from sale of cenosphere is accounted on transfer of significant risks and reward of ownership to the customers.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**h. Other income**

Interest income is accounted on accrual basis.

**i. Tangible assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. 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. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**j. Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**k. 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 of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

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.

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 is recognized as income or as expenses in the period in which such cancellation or renewal is made.

**l. Investments**

Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis. Cost of investments include acquisition charges such as brokerage, fees and fair value.

**m. Employee benefits**

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

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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Defined benefit plan:

The Company's gratuity plan is defined benefit plan. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

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 incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

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 recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

**n. 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 is 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.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**o. Leases**

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**p. Earnings 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**q. 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.

Minimum Alternate 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. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**r. Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. 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 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, except in case of revalued assets.

**s. Provisions and contingencies**

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 value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**t. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**Note 3: Share capital**

	As at 31.03.2015		As at 31.03.2014	
	Number	₹ Lacs	Number	₹ Lacs
<b>i. Authorised</b>				
Equity shares of ₹10 each with voting rights	2,000,000,000	200,000.00	2,000,000,000	200,000.00
<b>ii. Issued, subscribed and fully paid-up shares</b>				
Equity shares of ₹10 each fully paid with voting rights	1,508,917,729	150,891.77	1,508,917,729	150,891.77
	<b>1,508,917,729</b>	<b>150,891.77</b>	<b>1,508,917,729</b>	<b>150,891.77</b>
<b>(a) Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the year.</b>				
At the beginning of the year	1,508,917,729	150,891.77	1,434,917,729	143,491.77
Issued during the year	-	-	74,000,000	7,400.00
<b>Outstanding at the end of the year</b>	<b>1,508,917,729</b>	<b>150,891.77</b>	<b>1,508,917,729</b>	<b>150,891.77</b>

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and is entitled for dividend approved in the Annual General Meeting.

**(c) Shares held by the holding Company**

	As at 31.03.2015 Number	As at 31.03.2014 Number
The Tata Power Company Limited (the holding Company)	1,116,599,120	1,116,599,120

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

	As at 31.03.2015		As at 31.03.2014	
	Number	% holding	Number	% holding
<b>Equity shares of ₹ 10 each fully paid with voting rights</b>				
The Tata Power Company Limited (the holding Company)	1,116,599,120	74%	1,116,599,120	74%
Damodar Valley Corporation	392,318,609	26%	392,318,609	26%

**Note 4: Reserves and surplus**

**Surplus/(Deficit) in the Statement of Profit and Loss**

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
Opening balance	(16,554.43)	(26,852.37)
Add: Profit for the year	21,051.31	10,297.94
<b>Net surplus/(deficit) in the Statement of Profit and Loss</b>	<b>4,496.88</b>	<b>(16,554.43)</b>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5: Long-term borrowings**

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
<b>i. Term Loans</b>		
<b>From banks (secured)</b>		
(see note I below)		
(a) Allahabad Bank	13,872.16	14,908.98
(b) Central Bank of India	17,339.95	18,635.97
(c) Dena Bank	11,097.73	11,927.18
(d) The Jammu & Kashmir Bank Limited	13,872.16	14,908.98
(e) State Bank of India	117,892.50	128,918.89
(f) State Bank of Mysore	10,403.37	11,180.98
(g) Tamilnadu Mercantile Bank Limited	11,277.40	12,120.33
(h) State Bank of Bikaner & Jaipur	6,935.58	7,453.99
(i) Punjab National Bank	17,339.95	18,635.97
(j) Union Bank of India	10,403.37	11,180.98
(k) Corporation Bank	5,548.86	5,963.59
(l) HDFC Bank Ltd	8,669.98	9,317.99
	<b>244,653.01</b>	<b>265,153.83</b>
<b>From others - financial institution (secured)</b>		
(see note I below)		
L&T Infrastructure Finance Company Limited	6,935.58	7,453.99
<b>ii. Loan from holding Company</b>		
(see note 28.3 and II below)		
Unsecured	12,350.00	12,350.00
	<b>263,938.59</b>	<b>284,957.82</b>

**I. Term loans from banks and financial institution**

**(a) Security**

A. The Company had entered into a 'Common Loan Agreement' (CLA) on 4 February, 2008 with a consortium of 16 scheduled commercial banks, State Bank of India being the Lead banker. The total sanctioned amount as per CLA was ₹ 311,500.00 lacs. Further, the Company had entered into an additional loan agreement with the lenders for an amount of ₹ 59,900.00 lacs. The Company had drawn an aggregate amount of ₹ 342,109.00 lacs in respect of the above and repaid ₹ 48,192.02 lacs upto 2 March, 2014. The balance amount of ₹ 293,916.98 lacs was pre-paid on 3 March, 2014 from the proceeds of Term Loan-I as referred to in paragraph 'B' below.

B. On 26 February, 2014 the Company entered into a 'Common Loan agreement' (CLA) with a consortium of 12 banks and 1 financial institution, State Bank of India being the Lead banker. The total sanctioned amount as per the CLA is ₹ 362,760.00 lacs divided into 3 tranches of Term Loan-I, Term Loan-II and Term Loan-III of ₹ 323,040.00 lacs, ₹ 12,350.00 lacs and ₹ 27,370.00 lacs respectively. The Company had drawn an amount of ₹ 293,920.00 lacs (31 March, 2014 ₹ 293,920.00 lacs) and repaid ₹ 23,517.46 lacs upto 31 March, 2015 (31 March, 2014 ₹ 2,498.23 lacs) in respect of 'Term loan I'. Balance outstanding as at 31 March, 2015 is ₹ 270,402.54 lacs (31 March, 2014 ₹ 291,421.77 lacs) of which ₹ 18,813.95 (31 March, 2014 ₹ 18.813.95 lacs) pertains to current maturities of long term borrowings (see note 10).

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

- i. A first mortgage and charge over all the immovable properties (whether freehold or leasehold) pertaining to the Project (save and except - (i) the Forest Land; (ii) the land measuring 14,000 (fourteen thousand) square meters acquired by the borrower from DVC on lease basis for construction of staff quarters; and (iii) the Railway Land), both present and future; first mortgage and charge over all the immovable properties pertaining to the project, both present and future;
- ii. A first charge on all the borrower's tangible movable assets pertaining to the Project, including movable equipment, plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- iii. A first charge on all of the borrower's bank accounts pertaining to the Project including but not limited to Trust and Retention Account(s) and all funds from time to time deposited therein and all authorised investments and each of the other accounts required to be established by the borrower under any Project documents;
- iv. A first charge over all current assets of the borrower including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the borrower, both present and future;
- v. A first charge on all intangibles of the borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- vi. An assignment by way of security:
  - a. Of the right, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under the Project Documents and other contracts pertaining to the Project, both present and future, including but not limited to off-take agreements, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
  - b. Of the right, title and interest benefits, claims and demands whatsoever of the Borrower in, to and under all the Approvals and Insurance Contract, both present and future; and
  - c. Of the right, title and interest, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond and any other security provided by any counter party to the Project Documents.

**(b) Interest**

Interest rate shall be calculated at a sum of the base rate of State Bank of India prevailing on 3 March every year plus 100 basis points. The spread shall remain constant between any 2 (two) Interest Reset Dates. However, the Base Rate shall be floating.

**(c) Repayment terms**

**Repayment of Term Loan-I**

The repayment schedule of outstanding balance of loan as at 31 March, 2015 is as under:

Period	Number of installments	Amount of installments (₹ Lacs)	Total Amount (₹ Lacs)
1 July, 2015 to 1 October, 2020	22 (quarterly installments)	4,703.49	103,476.75
1 January, 2021	1	95,930.49	95,930.49
1 April, 2021	1	2,422.49	2,422.49
1 July, 2021	1	66,934.65	66,934.65
1 October, 2021	1	1,638.16	1,638.16
			<b>270,402.54</b>

**II. Loan from holding Company**

**(a) Interest**

Interest rate shall be calculated at a sum of the base rate of State Bank of India prevailing on 3 March every year plus 95 basis points ( 31 March, 2014: 95 basis points).

**(b) Repayment terms**

The loan was repayable subject to obtaining approval of the project cost from the promoter as per Common Loan Agreement ('CLA') with banks and financial institution. The said conditions under the CLA is yet to be complied with.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
	<u>₹ Lacs</u>	<u>₹ Lacs</u>
<b>NOTE 6: Other long-term liabilities</b>		
Retention money against capital expenditure	<u>411.11</u>	<u>251.52</u>
<b>Note 7: Long-term provisions</b>		
<b>Provision for employee benefits</b>		
i. Provision for compensated absences	272.82	203.23
ii Others	<u>-</u>	<u>8.86</u>
	<u>272.82</u>	<u>212.09</u>
<b>Note 8: Short-term borrowings</b>		
<b>From banks</b>		
(a) Secured		
- Cash credit	23,144.32	35,648.24
(b) Unsecured		
- Commercial paper	<u>7,500.00</u>	<u>5,000.00</u>
	<u>30,644.32</u>	<u>40,648.24</u>
<b>Security</b>		
The Company has entered into 'Working Capital Facility Agreement' with State Bank of India, The Jammu & Kashmir Bank Limited and Allahabad Bank for availing Cash credit facility which is secured by way of first pari-pasu charge on movable and immovable assets of the Company present and future, with other term loan and working capital lenders.		
<b>Note 9: Trade payables</b>		
Trade payables - other than acceptances (see note below)	<u>7,351.59</u>	<u>18,818.05</u>
<b>Note:</b>		
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ Nil (31 March, 2014: ₹ Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.		
<b>Note 10: Current maturities of long-term borrowings</b>		
<b>Term Loans (see note below)</b>		
i. From banks - secured	18,295.54	18,295.54
ii. From others - secured	<u>518.41</u>	<u>518.41</u>
	<u>18,813.95</u>	<u>18,813.95</u>
<b>Note:</b>		
Details of Security for current maturities of long-term borrowings are as stated in note 5 - 'Long-term borrowings'.		
<b>Note 11: Other current liabilities</b>		
i. Interest accrued but not due on borrowings	2,420.85	2,663.28
ii. Interest accrued and due on borrowings*	-	1,237.34
iii. Other payables		
(a) Statutory liabilities (including Provident Fund, Withholding Taxes, Value Added Tax and Service Tax)	810.77	371.90
(b) Payables on purchase of fixed assets	1,372.39	5,968.78
(c) Retention money	402.06	4,687.62
(d) Advance from customers	21.46	27.80
(e) Tariff adjustable account	14,302.60	-
(f) Rehabilitation and resettlement liability	-	155.53
(g) Others	<u>1,705.40</u>	<u>1,745.36</u>
	<u>21,035.53</u>	<u>16,857.61</u>
* Amount due on 31 March, 2014 and debited by bank on 1 April, 2014		
<b>Note 12: Short-term provisions</b>		
<b>Provision for employee benefits</b>		
(a) Provision for compensated absences	25.32	41.84
(b) Provision for gratuity	<u>195.07</u>	<u>10.28</u>
	<u>220.39</u>	<u>52.12</u>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13: Tangible assets (owned)**  
(see note below)

	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2014	Additions	Deletions / (Adjustments)	Borrowing cost capitalised	As at 31.03.2015	For the year	Deletions / (Adjustments)	As at 31.03.2015	As at 31.03.2014
1 Freehold land	-	17,270.95	(-)	-	17,270.95	-	(-)	17,270.95	(-)
2 Buildings - plant	17,596.70 (17,522.66)	5,344.30 (74.04)	(-)	12.18	22,953.18 (17,596.70)	602.71 (587.24)	(-)	20,873.08 (16,119.31)	16,119.31
3 Buildings - others	6,827.34 (4,655.74)	4,918.56 (2,171.60)	(-)	132.64	11,878.54 (6,827.34)	217.33 (143.79)	(-)	11,303.50 (6,469.63)	6,469.63
4 Plant and machinery									
- Computers	165.01 (144.59)	107.14 (29.13)	43.83 (8.71)	-	228.32 (165.01)	44.26 (24.35)	29.71 (3.48)	125.42 (76.66)	76.66
- Others	413,467.19 (404,243.27)	2,816.74 (9,381.82)	3,159.21 (157.90)	-	413,124.72 (413,467.19)	21,596.99 (21,314.61)	217.04 (18.76)	344,321.84 (366,044.26)	366,044.26
5 Furniture and fixtures	1,223.62 (1,068.47)	111.75 (163.07)	3.21 (7.92)	-	1,332.16 (1,223.62)	113.31 (70.57)	0.21 (4.60)	1,026.49 (1,031.05)	1,031.05
6 Vehicles	285.24 (291.38)	8.75 (23.34)	4.40 (29.48)	-	289.59 (285.24)	55.37 (32.65)	1.96 (8.31)	144.18 (193.24)	193.24
7 Office equipment	567.78 (535.93)	78.94 (36.42)	0.92 (4.57)	-	645.80 (567.78)	118.41 (37.17)	0.92 (2.43)	424.28 (463.75)	463.75
8 Leasehold improvements	(162.88)	(-)	(162.88)	(-)	(-)	(6.66)	(154.73)	(-)	(-)
<b>Sub total</b>	<b>440,132.88</b> <b>(428,624.92)</b>	<b>30,657.13</b> <b>(11,879.42)</b>	<b>3,211.57</b> <b>(371.46)</b>	<b>144.82</b> <b>-</b>	<b>467,723.26</b> <b>(440,132.88)</b>	<b>22,748.38</b> <b>(22,217.04)</b>	<b>249.84</b> <b>(192.31)</b>	<b>395,489.74</b> <b>(390,397.90)</b>	<b>390,397.90</b>

**Note 14: Intangible assets**  
(see note below)

	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01.04.2014	Additions	Deletions / (Adjustments)	Borrowing cost capitalised	As at 31.03.2015	For the year	Deletions / (Adjustments)	As at 31.03.2015	As at 31.03.2014
1 Licenses	30.53 (30.53)	(-)	(-)	-	30.53 (30.53)	6.11 (6.10)	(-)	9.51 (15.62)	15.62
2 Computer software	15.90 (14.44)	6.68 (1.46)	2.99 (-)	-	19.59 (15.90)	2.29 (2.48)	1.53 (-)	13.44 (10.51)	10.51
3 Land - Right to use	4,065.50 (3,802.25)	3,871.28 (263.25)	(-)	-	7,936.78 (4,065.50)	308.43 (156.17)	(-)	7,234.28 (3,671.43)	3,671.43
<b>Sub total</b>	<b>4,111.93</b> <b>(3,847.22)</b>	<b>3,877.96</b> <b>(264.71)</b>	<b>2.99</b> <b>-</b>	<b>-</b> <b>-</b>	<b>7,986.90</b> <b>(4,111.93)</b>	<b>316.83</b> <b>(164.75)</b>	<b>1.53</b> <b>-</b>	<b>7,257.23</b> <b>(3,697.56)</b>	<b>3,697.56</b>
<b>Total</b>	<b>444,244.81</b> <b>(432,472.14)</b>	<b>34,535.09</b> <b>(12,144.13)</b>	<b>3,214.56</b> <b>(371.46)</b>	<b>144.82</b> <b>-</b>	<b>475,710.16</b> <b>(444,244.81)</b>	<b>23,065.21</b> <b>(22,381.79)</b>	<b>251.37</b> <b>(192.31)</b>	<b>402,746.97</b> <b>(394,095.46)</b>	<b>394,095.46</b>

Note:  
Figures in brackets pertain to the previous year



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note:**

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

The title to the Private land measuring 565 acres, acquired for the site, where the power generating station is set up, is in the name of DVC. Pending transfer of title as stated above, the Company had entered into an Indenture Deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company) and provision to create security in favour of Lenders and transfer this land to the Company at the cost at which it was acquired subject to approval of the Government of the State of Jharkhand. Subsequently, the Company had created security in favour of Lenders on 20 December, 2008, as per the terms of the CLA and accordingly the Lease rent has been fixed at ₹ 1 per annum.

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

DVC had also acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. The Company has entered into a License Agreement with DVC on 18 January, 2008 for use of these lands initially for a period of 5 years, pending transfer of title/right to use in these lands in favour of the Company. In terms of the Government of the State of Jharkhand resolution No.241/R dated 22 January, 2011, DVC has agreed to sub-lease of GM land (115 acres) to the Company subject to the approval of the Government of the State of Jharkhand. GM Land and Forest Land has been capitalised in the books of account.

- (b) The Company had incurred cost of land for first phase of Railway Corridor of 96 acres to DVC, which had acquired these lands exclusively for the Project. The land consists of Private land (78 acres) and GM land (18 acres). DVC is in the process of transferring title in these lands in favour of the Company as per applicable laws of the State of Jharkhand. The expenditure in connection with land including land compensation and Rehabilitation and Resettlement expenses has been capitalised.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
<b>Note 15: Long-term loans and advances</b>		
<b>i. Capital advances</b>		
(a) Secured, considered good		
- to others	3,705.11	3,782.11
(b) Unsecured, considered good		
- to others	1,135.50	4,663.70
	<b>4,840.61</b>	<b>8,445.81</b>
<b>ii. Security deposits (Unsecured, considered good)</b>		
- to related party (see note 28.3)	20.00	20.00
- to others	1.52	2.22
<b>iii. Other loans and advances (Unsecured, considered good)</b>		
Advance income-tax [net of provision for income tax ₹ 5,736.22 lacs (31 March, 2014: ₹ 407.71 lacs)]	678.32	1,103.95
	<b>5,540.45</b>	<b>9,571.98</b>
<b>Note 16: Inventories (valued at lower of cost and net realisable value)</b>		
<b>i. Fuel</b>		
Goods-in-transit	10,046.22	20,883.00
	19.48	217.70
	10,065.70	21,100.70
<b>ii. Stores and spares</b>		
	2,461.35	1,525.68
<b>iii. Loose tools</b>		
	0.22	0.38
	<b>12,527.27</b>	<b>22,626.76</b>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at <b>31.03.2015</b> ₹ Lacs	As at <b>31.03.2014</b> ₹ Lacs
<b>Note 17: Trade receivables</b>		
<b>i. Outstanding for a period exceeding six months from the date they were due for payment</b>		
(a) Secured, considered good	-	13.54
(b) Unsecured, considered good	418.26	265.21
	<u>418.26</u>	<u>278.75</u>
<b>ii. Other trade receivables</b>		
(a) Secured, considered good	18,213.24	9,999.78
(b) Unsecured, considered good	26,085.35	5,917.39
	<u>44,298.59</u>	<u>15,917.17</u>
	<b><u>44,716.85</u></b>	<b><u>16,195.92</u></b>
<b>Note 18: Cash and cash equivalents</b> (As per AS 3 Cash Flow Statements)		
i. Cash on hand	0.25	-
ii. Balances with banks: In current accounts	1,207.25	3,491.21
	<u>1,207.50</u>	<u>3,491.21</u>
<b>Note 19: Short-term loans and advances</b> (Unsecured, considered good unless otherwise stated)		
i. Loans and advances to related parties (see note 28.3)	-	83.46
ii. Security deposits	20.44	10.08
iii. Loans and advances to employees	16.60	10.78
iv. Prepaid expenses	645.83	861.96
v. Balances with government authorities	0.01	26.63
vi. Advance to suppliers	2,525.56	12,336.74
vii. Others	4.93	4.28
	<u>3,213.37</u>	<u>13,333.93</u>
<b>Note 20: Other current assets</b>		
i. Unbilled revenue	4,501.92	6,859.59
ii. Tariff recoverable account	-	17,866.43
iii. Insurance claims receivable (see note 29)	1,275.62	1,228.47
iv. Others	89.87	194.01
	<u>5,867.41</u>	<u>26,148.50</u>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31.03.2015 ₹ Lacs	Year ended 31.03.2014 ₹ Lacs
<b>Note 21: Revenue from operations</b>		
i. Sale from supply of power	263,915.69	225,578.54
ii. Income recoverable/adjustable from future tariff (see note below)	(32,169.02)	8,168.43
iii. Other operating revenue - Sale of cenosphere	24.21	73.20
	<b>231,770.88</b>	<b>233,820.17</b>

**Note:**

The tariff to be charged to Long Term beneficiaries is determined by the Central Electricity Regulatory Commission (CERC) in accordance with the tariff regulations/norms notified by CERC. The tariff consists of two parts namely, capacity charge (for recovery of fixed cost based on plant availability) and energy charges (for recovery of fuel costs). The Company has accrued / adjusted revenue for supply of power to long term beneficiaries on the basis of plant availability and actual capital cost incurred by the Company.

	Year ended 31.03.2015 ₹ Lacs	Year ended 31.03.2014 ₹ Lacs
<b>Note 22: Other income</b>		
i. Interest income		
(a) From banks	16.46	-
(b) Others	-	292.42
ii. Profit on sale of current investments	71.16	-
iii. Insurance claim (see note 29)	-	3,083.64
iv. Miscellaneous income	17.36	3.92
v. Foreign exchange fluctuation gain	0.44	0.09
vi. Excess provision written back	-	700.00
	<b>105.42</b>	<b>4,080.07</b>

**Note 23: Employee benefit expenses**

i. Salaries and wages	2,886.88	2,564.59
ii. Contribution to provident and other funds	357.51	229.77
iii. Staff welfare expenses	447.48	404.49
	3,691.87	3,198.85
Less: Transferred to capital work-in-progress	163.24	-
	<b>3,528.63</b>	<b>3,198.85</b>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended <b>31.03.2015</b> ₹ Lacs	Year ended <b>31.03.2014</b> ₹ Lacs
<b>Note 24: Finance costs</b>		
i. Interest on:		
(a) Cash credit	2,178.96	2,358.00
(b) Buyer's credit	2.05	9.43
(c) Term loan	32,390.65	40,958.60
	<b>34,571.66</b>	<b>43,326.03</b>
Less: Transferred to capital work-in-progress	344.37	1,827.98
	<b>34,227.29</b>	<b>41,498.05</b>
ii. Other finance costs	46.73	964.54
iii. Bank charges	344.86	374.31
	<b>34,618.88</b>	<b>42,836.90</b>
<b>Note 25: Depreciation and amortisation expense</b>		
i. Depreciation on tangible assets	22,748.38	22,217.04
ii. Amortisation of intangible assets	316.83	164.75
	<b>23,065.21</b>	<b>22,381.79</b>
<b>Note 26: Other expenses</b>		
i. Consumption of stores and spare parts	1,605.64	1,267.12
ii. Power and fuel	99.93	36.14
iii. Water charges	954.41	970.90
iv. Rent and hire charges	68.50	52.63
v. Repairs and maintenance		
- Buildings	41.84	13.47
- Plant and machinery	4,296.79	3,913.00
- Others	587.96	843.37
vi. Insurance	1,232.72	1,190.91
vii. Rates and taxes	29.38	61.20
viii. Communication expenses	57.46	76.61
ix. Travelling and conveyance	319.03	342.29
x. Payment to auditors ( See note 'i' below)	46.22	38.34
xi. Bad debts	-	83.26
xii. Loss on fixed assets sold / written off	8.42	150.32
xiii. Other current assets written off	90.31	-
xiv. Cash discount on sales	3,425.21	4,513.89
xv. Trading margin on power sale	95.87	136.81
xvi. Operation and maintenance charges	3,025.31	4,034.85
xvii. Transmission charges	3,037.98	4,073.05
xviii. Ash disposal expenses	6,098.44	4,326.13
xix. Security and safety expenses	558.77	502.45
xx. Community welfare expenses	172.04	82.36
xxi. Miscellaneous expenses	532.49	965.31
	<b>26,384.72</b>	<b>27,674.41</b>
Less: Transferred to capital work-in-progress	168.12	557.67
	<b>26,216.60</b>	<b>27,116.74</b>
<b>Note 'i'</b>		
<b>Payment to auditor's (inclusive of service tax)</b>		
i. Statutory audit fee	26.97	26.97
ii. Taxation matters	12.28	5.06
iii. Other services	1.52	0.73
iv. Reimbursement of expenses	5.45	5.58
	<b>46.22</b>	<b>38.34</b>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 27: Additional information to the financial statements**

**27.1 Contingent liabilities and commitments**

The Company has received a demand of ₹ 4,500.00 lacs from the Office of Assistant Commissioner, Dhanbad under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 contending that the Company has to pay 1% of the Project Cost (estimated to be ₹ 450,000.00 lacs) as cess.

As per legal advice obtained by the Company, the Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 is applicable on cost of construction and not on supply of equipment, accordingly the Company had deposited an amount of ₹ 126.00 lacs as cess for cost of construction and raised the demand on the concerned contractor / vendor. Further, the Company is of the view that any such demand if payable will be borne by the contractor/vendors. Accordingly, no provision has been made in the books of account.

- 27.2** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 26,510.75 lacs (31 March, 2014: ₹ 29,812.85 lacs).

**27.3 C.I.F. value of imports**

Particulars	Year ended	Year ended
	31.03.2015	31.03.2014
	₹ lacs	₹ lacs
Fuel	-	4,591.43
Spares	615.71	116.27

- 27.4** During the year, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates / useful life are as follows:

Asset	Depreciation method	Previous useful life	Revised useful life
Computers	SLM	6 years	3 years
Furniture and Fixtures	SLM	15 years	10 years
Vehicles	SLM	8 years	5 years
Office equipment	SLM	15 years	5 years

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 152.00 lacs consequent to the change in the useful life of the assets.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 28: Disclosure under Accounting Standards**

**28.1 Employee benefits**

**i. Defined contribution plan**

The Company makes contribution towards provident fund which is a defined contribution plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised ₹ 132.68 lacs (31 March, 2014: ₹ 117.83 lacs) and ₹ 40.04 lacs (31 March, 2014: ₹ 34.19 lacs) for provident fund and superannuation fund contributions respectively in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

**ii. Defined Benefit plan**

**a. Gratuity plan**

The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31 March, 2015. The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

**i. Components of employer's expense**

Particulars	Year ended 31.03.2015 ₹ lacs	Year ended 31.03.2014 ₹ lacs
Current Service cost	37.99	35.07
Interest cost	25.45	15.78
Actuarial loss / (gain)	151.22	18.89
Expected return on plan assets	(29.87)	-
Other adjustment	-	8.01
<b>Total expense recognised in the statement of profit and loss</b>	<b>184.79</b>	<b>77.75</b>

**ii. Net asset / (liability) recognised in the Balance Sheet**

Particulars	As at 31.03.2015 ₹ lacs	As at 31.03.2014 ₹ lacs
Present value of defined benefit obligation	(439.78)	(352.84)
Fair value of plan assets	244.71	342.56
Funded status [Surplus / (Deficit)]	(195.07)	(10.28)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(195.07)</b>	<b>(10.28)</b>



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2015 ₹ lacs	As at 31.03.2014 ₹ lacs
- Current liability	195.07	10.28

**iii. Change in defined benefit obligations (DBO) during the year:**

Particulars	2014-15 ₹ lacs	2013-14 ₹ lacs
Present value of DBO at beginning of the year	352.84	210.50
Current service cost	37.99	35.07
Interest Cost	25.45	15.78
Actuarial loss / (gain)	63.09	18.89
Acquisitions cost	115.88	103.97
Benefits paid	(155.47)	(31.37)
<b>Present value of DBO at the end of the year</b>	<b>439.78</b>	<b>352.84</b>

**iv. Change in fair value of assets during the year**

Particulars	As at 31.03.2015 ₹ lacs	As at 31.03.2014 ₹ lacs
Plan assets at beginning of the year	342.56	-
Expected return on plan assets	29.87	-
Acquisition adjustment	115.88	-
Actual company contributions	-	342.56
Actuarial gain / (loss)	(88.13)	-
Benefits paid	(155.47)	-
<b>Plan assets at the end of the year</b>	<b>244.71</b>	<b>342.56</b>

**v. Experience history\*:**

Particulars	2014-15 ₹ lacs	2013-14 ₹ lacs	2012-13 ₹ lacs	2011-12 ₹ lacs
DBO at the end of the year	(439.78)	(352.84)	(210.50)	(12.79)
Plan assets at the end of the year	224.71	342.56	-	-
Funded status [Surplus / (Deficit)]	(195.07)	(10.28)	(210.50)	(12.79)
Experience gain/(loss) adjustments on plan liabilities	(12.91)	(48.06)	11.91	-
Experience gain / (loss) adjustments on plan assets	(88.13)	-	-	-



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

\* Amounts in respect of 2010-11 not given as the same was not applicable to the Company.

**Principal actuarial assumptions:**

S. No.	Particulars	Refer Note below	Year ended 31.03.2015	Year ended 31.03.2014
i.	Discount rate (p.a.)	1	7.90%	9.25%
ii.	Expected rate of return on assets (p.a.)	2	9.25%	9.25%
iii.	Salary escalation rate (p.a.)	3	7.50%	7.50%

**Notes:**

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

**Demographic assumptions:**

1. Retirement age 60 years
2. Mortality Table Indian Assured Lives Mortality (2006-08) modified Ult.(31 March,2014: Standard Table LIC (1994-96) Ultimate)

**b. Actuarial assumptions for compensated absences**

S. No.	Particulars	Refer Note below	Year ended 31.03.2015	Year ended 31.03.2014
i.	Discount rate (p.a.)	1	7.90%	9.25%
ii.	Expected rate of return on assets (p.a.)	2	-	-
iii.	Salary escalation rate (p.a.)	3	7.50%	7.50%

**Notes:**

1. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The compensated absences plan is unfunded.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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3. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

**28.2 Segment Reporting**

The Company is engaged in the business of generation of power. As the Company is operating in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosure prescribed by paragraphs 39 to 51 of Accounting Standard 17 – Segment reporting have not been provided in these financial statements.

**28.3 Related party disclosures**

**a. List of related parties**

i. Controlling Entity

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

ii. Entity exercising significant influence

Damodar Valley Corporation (DVC)

iii. Fellow Subsidiaries

Tata Power Trading Company Limited (TPTCL)

Coastal Gujarat Power Limited (CGPL)

Powerlinks Transmission Limited (PTL)

Industrial Energy Limited (IEL)

iv. Key Management Personnel (KMP)

Mr. Ashok Sethi - Executive Director (Upto 16 June, 2014)

Mr. Bhaskar Sarkar – Chief Executive Officer ( Upto 30 June, 2014)

Mr. Kozipart Chandrashekhar-Chief Executive Officer (with effect from 6 August, 2014)



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**b. Transactions/balances outstanding with related parties**

Particulars								₹ lacs
	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total
<b>i. Transactions during the year ended 31 March, 2015</b>								
Power supply	- (-)	70,902.35 (54,037.98)	192,160.54 (170,791.58)	- (-)	- (-)	- (-)	- (-)	263,062.89 (2,24,829.56)
Cash discount on sales	- (-)	- (958.17)	3,425.21 (3,555.72)	- (-)	- (-)	- (-)	- (-)	3,425.21 (4,513.89)
Trading margin on power sale	- (-)	- (-)	95.87 (136.80)	- (-)	- (-)	- (-)	- (-)	95.87 (136.80)
Operation and maintenances charges	2,869.42 (3,787.09)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,869.42 (3,787.09)
Transmission charges	- (-)	- (-)	831.95 (1,776.51)	- (-)	- (-)	- (-)	- (-)	831.95 (1,776.51)
Rent and hire charges	22.58 (3.54)	6.52 (6.52)	- (-)	- (-)	- (-)	- (-)	- (-)	29.10 (10.06)
Power and fuel	- (-)	49.27 (24.60)	- (-)	- (-)	- (-)	- (-)	- (-)	49.27 (24.60)
Water charges	- (-)	917.16 (940.80)	- (-)	- (-)	- (-)	- (-)	- (-)	917.16 (940.80)
Rendering of services	4.55 (0.87)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4.55 (0.87)
Interest on loan	1,352.33 (1750.25)	- (-)	- (-)	- (-)	- (115)	- (-)	- (-)	1,352.33 (1,865.25)
Reimbursement of expenses by the Company	228.04 (56.17)	0.76 (13.28)	- (-)	- (-)	- (-)	- (0.20)	- (-)	228.80 (69.65)
Reimbursement of expenses to the Company	10.55 (5.90)	43.76 (109.07)	87.52 (177.10)	- (-)	- (-)	- (-)	- (-)	141.83 (292.07)
Purchase of fixed Assets	6.23 (-)	- (-)	- (-)	- (-)	- (-)	8.75 (20.71)	- (-)	14.98 (20.71)
Sale of fixed Assets	10.94 (21.87)	- (-)	- (-)	0.65 (-)	- (-)	0.38 (5.90)	- (-)	11.97 (27.77)
Service received related to capital	1,237.25 (350.40)	- (85.70)	- (-)	- (-)	- (-)	- (-)	- (-)	1,237.25 (436.10)



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars								₹ lacs
	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total
work in progress								
Capital advance adjusted	- (-)	- (85.47)	- (-)	- (-)	- (-)	- (-)	- (-)	- (85.47)
Reimbursement of capital expenditure	- (-)	- (263.25)	- (-)	- (-)	- (-)	- (-)	- (-)	- (263.25)
Equity contribution	- (5,476)	- (1,924)	- (-)	- (-)	- (-)	- (-)	- (-)	- (7,400)
Short term borrowing received	- (17,500)	- (-)	- (-)	- (-)	- (6,000)	- (-)	- (-)	- (23,500)
Short term borrowing repaid	- (17,500)	- (-)	- (-)	- (-)	- (6000)	- (-)	- (-)	- (23,500)
Short term loans and advances paid	- (-)	- (1.23)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.23)
Transfer of funds for settlement of project related liabilities	15,051.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Managerial remuneration</b>								
Ashok Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	11.96 (99.48)	11.96 (99.48)
Bhaskar Sarkar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	14.48 (57.96)	14.48 (57.96)
K. Chandrashekhar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	56.06 (-)	56.06 (-)
<b>ii. Balances outstanding as at 31 March, 2015</b>								
Trade receivables	- (-)	25,186.09 (4,435.31)	19,279.09 (11,473.62)	- (-)	- (-)	- (-)	- (-)	44,465.18 (15,908.93)
Unbilled revenue	- (-)	4,491.93 (4,817.41)	- (872.58)	- (-)	- (-)	- (-)	- (-)	4,491.93 (5,689.99)
Short-term loans and advances - Security deposits	- (-)	20.00 (20.00)	- (-)	- (-)	- (-)	- (-)	- (-)	20.00 (20.00)



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	₹ lacs							
	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total
Other current assets - Others	14.11 (17.49)	- (75.42)	- (101.10)	- (-)	- (-)	0.38 (-)	- (-)	14.49 (194.01)
Short-term loans and advances	- (-)	- (83.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (83.46)
Long term borrowings	12,350.00 (12,350.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12,350.00 (12,350.00)
Trade payables	208.26 (1,083.59)	90.87 (188.65)	31.10 (-)	- (-)	- (-)	- (20.91)	- (-)	330.23 (1,293.15)
Interest accrued but not due on borrowings	1,217.09 (2,663.28)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,217.09 (2,663.28)
Other current liabilities - retention money	4.63 (994.05)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4.63 (994.05)
Letter of credit Received	- (-)	5,096.61 (5,439.41)	6,181.89 (5,578.00)	- (-)	- (-)	- (-)	- (-)	11,278.50 (11,017.41)
Bank guarantee Given	- (-)	65.70 (65.70)	- (-)	- (-)	- (-)	- (-)	- (-)	65.70 (65.70)
Bank guarantee issued on behalf of the Company	12,658.00 (14,400.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12,658.00 (14,400.00)

Note: Figures in brackets pertain to 31 March, 2014.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**28.4 Earnings per share (EPS)**

Particulars	Units	Year ended 31.03.2015	Year ended 31.03.2014
a. Net profit after tax	₹ Lacs	21,051.31	10,297.94
b. Weighted average number of equity shares of ₹ 10 each	Nos.	1,508,917,729	1,460,462,934
c. Basic earnings per share (a/b)	₹	1.40	0.71
d. Weighted average number of shares outstanding during the year for calculation of diluted earnings per share	Nos.	1,508,917,729	1,460,462,934
e. Diluted earnings per share (a/d)	₹	1.40	0.71
f. Effect of potential equity shares (c-e)	₹	-	-

**29. Insurance claim receivable**

During the previous year, Generator Transformer (GT) of Unit 1 was damaged leading to stoppage of power generation of electricity. The Company had accounted for insurance claim of ₹ 271 lacs and ₹ 2,400 lacs (based on provisional surveyor report) for damage of assets and Business Interruption (BI) claim respectively as 'other income' and had received on account payments of ₹ 200 lacs towards property damage pending final assessment repair/restoration cost of GT and ₹ 1,800 lacs towards BI claim.

Subsequent to the year end, the surveyor appointed by the insurance company in its final survey report has assessed loss of ₹ 1,054.70 lacs towards damage of assets/materials and ₹ 2,364 lacs towards BI loss.

Based on the final surveyor report, the Company has adjusted the insurance claim receivable account and the balance of ₹ 1,275.62 lacs (Previous year ₹ 671 lacs) is included in insurance claims receivable as at the year end.

**30. Provision for Contingencies**

Provision for contingency relates to the management estimate of additional expenses to be incurred in excess of the amounts claimed from the insurance company pursuant to the claim filed. The movement in the provision is as follows:

Particulars	As at 31.03.2015 ₹ lacs	As at 31.03.2014 ₹ lacs
Balance at the beginning of the year	-	700.00
Provision during the year	-	800.00
Provision reversed during the year	-	1,500.00
Closing balance	-	-



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

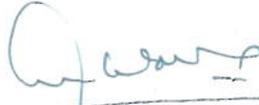
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**31. Mega power status**

The Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipt of the mega power certificate, the Company remains liable to pay Excise and Customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid Excise Duty to its vendors aggregating to ₹ 11,997.50 lacs (31 March, 2014: ₹ 11,935.68 lacs) upto 31 March, 2015. Out of total payment of excise duty to suppliers ₹ 11,911.19 lacs (net of receipts) had been capitalised and the balance amount of ₹ 86.31 lacs is included in capital work in progress as at 31 March, 2015.

- 32.** Previous year's amounts have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For and on behalf of Board of Directors**



**Anil Sardana**  
Chairman



**Sanjeev Kumar Seth**  
Director



**Ashok Sethi**  
Director



**Pradip Roy**  
Chief Financial Officer  
and Company Secretary

Place: MUMBAI  
Date: 11 MAY, 2015

