

# **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, 2016, 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 for the year then ended.

### **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 prescribed under Section 133 of the Act, as applicable.

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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, 2016, 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 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 prescribed under Section 133 of the Act, as applicable.
  - e. On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 27.1 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 27.3(b) to the financial statements.



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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 - Refer Note 27.5 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order / CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



A handwritten signature in blue ink, appearing to read "Alka Chadha".

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

**Mumbai, 28 April, 2016**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **MAITHON POWER LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



*Alka Chadha*

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

Mumbai, 28 April, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 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.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Amount (Rs. lacs)	Remarks
Freehold (private) land located at Maithon, Jharkhand admeasuring 565 acres.	9,264.56	The title deed is in the name of Damodar Valley Corporation (DVC). As per the shareholders agreement, the title is to be transferred to the Company. Pending transfer of the title, the Company had entered into an Indenture deed with DVC on 5 December, 2008, which provided inter-alia, lease for a period of 35 years (and extendable for another 35 years at the option of the Company).
Freehold (private) land located at Maithon, Jharkhand admeasuring 78 acres.	8,076.36	The title deed is in the name of DVC. As per the shareholders agreement, the title is to be transferred to the Company. DVC is in the process of transferring the title in favour of the Company as per the applicable laws of the State of Jharkhand.



In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the

lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

Particulars of the land	Amount (Rs. lacs)	Remarks
GM land and Forest land located at Maithon, Jharkhand admeasuring 74 acres and 238 acres.	3,776.40	DVC had acquired these lands on lease from the State of Jharkhand with the right to use for the project. As per the shareholders agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC on 18 January, 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter.
GM land and Forest land located at Maithon, Jharkhand admeasuring 59 acres and 198 acres.	3,465.21	DVC had acquired these lands on lease from the State of Jharkhand with the right to use for the project. As per the shareholders agreement, the lease is to be transferred to the Company. DVC is in the process of transferring the lease in favour of the Company as per the applicable laws of the State of Jharkhand.

- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. 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 Companies Act, 2013, and are of the opinion



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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 do not give rise to 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, 2016 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 do not give rise to Excise Duty.

c. There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes. We are informed that the Company's operations do not give rise to Excise duty.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). 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 raised.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



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- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



*Alka Chadha*

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

**Mumbai, 28 April, 2016**

**MAITHON POWER LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2016**

	Notes	As at 31.03.2016 ₹ Lacs	As at 31.03.2015 ₹ Lacs
<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	13,418.21	4,496.88
		<b>164,309.98</b>	<b>155,388.65</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	245,410.41	263,938.59
(b) Other long-term liabilities	6	485.23	411.11
(c) Long-term provisions	7	327.63	272.82
		<b>246,223.27</b>	<b>264,622.52</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	8	20,352.07	30,644.32
(b) Trade payables	9		
i. total outstanding dues of micro enterprises and small enterprises		-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		14,864.23	7,351.59
		14,864.23	7,351.59
(c) Current maturities of long-term borrowings	10	20,790.62	18,813.95
(d) Other current liabilities	11	35,646.95	24,678.08
(e) Short-term provisions	12	28.31	220.39
		<b>91,682.18</b>	<b>81,708.33</b>
<b>TOTAL</b>		<b>502,215.43</b>	<b>501,719.50</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	386,987.51	395,489.74
(ii) Intangible assets	14	6,831.60	7,257.23
(iii) Capital work-in-progress		19,250.83	22,257.13
		413,069.94	425,004.10
(b) Long-term loans and advances	15	3,512.61	5,540.45
		<b>416,582.55</b>	<b>430,544.55</b>
<b>2. Current assets</b>			
(a) Inventories	16	11,712.09	12,527.27
(b) Trade receivables	17	56,291.94	44,716.85
(c) Cash and cash equivalents	18	3,055.98	1,207.50
(d) Short-term loans and advances	19	1,279.24	3,213.37
(e) Other current assets	20	13,293.63	9,509.96
		<b>85,632.88</b>	<b>71,174.95</b>
<b>TOTAL</b>		<b>502,215.43</b>	<b>501,719.50</b>

See accompanying notes forming part of the financial statements

1-30

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**

*Ashok Sethi*  
**Ashok Sethi**  
Chairman

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

*Kozipart Chandrashekhar*  
**Kozipart Chandrashekhar**  
Chief Executive Officer  
and Executive Director

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

Place: *Mumbai*  
Date: *28 April, 2016*

Place: *Mumbai*  
Date: *28 April, 2016*

**MAITHON POWER LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016**

	Notes	Year ended 31.03.2016 ₹ Lacs	Year ended 31.03.2015 ₹ Lacs
1. Revenue from operations	21	234,923.72	231,770.88
2. Other income	22	150.48	105.42
<b>3. Total income</b>		<b>235,074.20</b>	<b>231,876.30</b>
<b>4. Expenses</b>			
(a) Cost of fuel		126,757.95	117,618.18
(b) Cost of power purchased		48.82	448.98
(c) Employee benefits expense	23	3,559.95	3,349.13
(d) Finance costs	24	31,092.50	34,618.88
(e) Depreciation and amortisation expense	25	23,891.96	23,065.21
(f) Other expenses	26	25,443.95	26,396.10
<b>Total expenses</b>		<b>210,795.13</b>	<b>205,496.48</b>
<b>5. Profit before tax (3-4)</b>		<b>24,279.07</b>	<b>26,379.82</b>
<b>6. Tax expenses</b>			
Current tax		5,221.32	5,328.51
Short provision for tax relating to prior years		147.88	-
<b>Total tax expense</b>		<b>5,369.20</b>	<b>5,328.51</b>
<b>7. Profit after tax (5-6)</b>		<b>18,909.87</b>	<b>21,051.31</b>
<b>8. Earnings per equity share [face value of share ₹ 10 each]</b>	28.4		
Basic and Diluted (₹)		1.25	1.40
See accompanying notes forming part of the financial statements	1-30		

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**

*Ashok Sethi*  
**Ashok Sethi**  
 Chairman

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

*Kozipart Chandrashekar*  
**Kozipart Chandrashekar**  
 Chief Executive Officer  
 and Executive Director

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

Place: Mumbai  
 Date: 28 April, 2016

Place: Mumbai  
 Date: 28 April, 2016

**MAITHON POWER LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016**

Notes	Year ended 31.03.2016 ₹ Lacs	Year ended 31.03.2015 ₹ Lacs
<b>A. Cash flow from operating activities</b>		
Profit before tax	24,279.07	26,379.82
Adjustments for:		
Depreciation and amortisation expense	23,891.96	23,065.21
Finance costs	31,092.50	34,618.88
Profit on fixed assets sold (net)	(7.31)	-
Loss on fixed assets sold / written off (net)	-	8.42
Gain on sale of current investments	(109.86)	(71.16)
Interest income	(15.73)	(16.46)
<b>Operating profit before working capital changes</b>	<b>79,130.63</b>	<b>83,984.71</b>
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	815.18	10,099.49
Trade receivables	(11,575.09)	(28,520.93)
Short-term loans and advances	1,934.13	10,120.56
Other current assets	(3,783.67)	20,281.09
Long-term loans and advances	(21.62)	0.70
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	7,512.64	(11,466.46)
Other current liabilities	11,904.74	10,409.61
Short-term provisions	(192.08)	168.27
Long-term provisions	54.81	60.73
<b>Cash generated from operations</b>	<b>85,779.67</b>	<b>95,137.77</b>
Income tax paid	(5,237.42)	(4,902.88)
<b>Net cash flow from operating activities (A)</b>	<b>80,542.25</b>	<b>90,234.89</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets (including capital advances)	(10,946.65)	(28,439.19)
Proceeds from sale of fixed assets	35.94	2,954.77
Purchase of current investments	(98,610.43)	(36,197.53)
Proceeds from sale of current investments	98,720.29	36,268.69
Interest received	15.73	16.46
<b>Net cash flow used in investing activities (B)</b>	<b>(10,785.12)</b>	<b>(25,396.80)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from short-term borrowings - commercial paper	82,500.00	90,000.00
Repayment of short-term borrowings - commercial paper	(80,000.00)	(87,500.00)
Repayment of other short-term borrowings	(12,792.25)	(12,503.92)
Repayment of long-term borrowings	(66,551.51)	(21,019.23)
Proceeds from issue of debentures	50,000.00	-
Finance costs paid	(31,076.35)	(36,098.65)
Interim dividend paid	(8,299.05)	-
Tax on interim dividend	(1,689.49)	-
<b>Net cash flow used in financing activities (C)</b>	<b>(67,908.65)</b>	<b>(67,121.80)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,848.48</b>	<b>(2,283.71)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>1,207.50</b>	<b>3,491.21</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>3,055.98</b>	<b>1,207.50</b>

See accompanying notes forming part of the financial statements 1-30

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**

*Ashok Sethi*  
**Ashok Sethi**  
Chairman

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

*Kozipart Chandrashekhar*  
**Kozipart Chandrashekhar**  
Chief Executive Officer  
and Executive Director

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

Place: Mumbai  
Date: 28 April, 2016

Place: Mumbai  
Date: 28 April, 2016

**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, 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 comprise 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 amortisation**

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.

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.

Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered / confirmed by customers.



**MAITHON POWER LIMITED**  
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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.



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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.



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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.



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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.



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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**  
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**Note 3: Share capital**

	As at 31.03.2016		As at 31.03.2015	
	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	1,508,917,729	150,891.77
Issued during the year	-	-	-	-
<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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31.03.2016 Number	As at 31.03.2015 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 31.03.2016		As at 31.03.2015	
	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**

**Debenture redemption reserve**

	As at 31.03.2016 ₹ Lacs	As at 31.03.2015 ₹ Lacs
Opening balance	-	-
Add: Amount transferred from surplus in Statement of Profit and Loss	603.84	-
	<b>603.84</b>	-

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

	As at 31.03.2016 ₹ Lacs	As at 31.03.2015 ₹ Lacs
Opening balance	4,496.88	(16,554.43)
Add : Profit for the year	18,909.87	21,051.31
Less: Transferred to debenture redemption reserve	603.84	-
Less: Interim dividend	8,299.05	-
Less: Tax on interim dividend	1,689.49	-
<b>Net surplus in the Statement of Profit and Loss</b>	<b>12,814.37</b>	<b>4,496.88</b>
	<b>13,418.21</b>	<b>4,496.88</b>



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**Note 5: Long-term borrowings**

	As at 31.03.2016 ₹ Lacs	As at 31.03.2015 ₹ Lacs
<b>i. Redeemable non-convertible debentures (secured)</b> (see note I below)	<b>50,000.00</b>	-
<b>ii. Term Loans</b>		
<b>From banks (secured)</b> (see note II below)		
(a) Allahabad Bank	10,078.48	13,872.16
(b) Central Bank of India	12,597.90	17,339.95
(c) Dena Bank	8,062.79	11,097.73
(d) The Jammu & Kashmir Bank Limited	14,318.00	13,872.16
(e) State Bank of India	85,641.29	117,892.50
(f) State Bank of Mysore	7,558.26	10,403.37
(g) Tamilnadu Mercantile Bank Limited	-	11,277.40
(h) State Bank of Bikaner & Jaipur	9,278.35	6,935.58
(i) Punjab National Bank	12,597.90	17,339.95
(j) Union Bank of India	7,558.26	10,403.37
(k) Corporation Bank	4,031.39	5,548.86
(l) HDFC Bank Ltd	6,298.95	8,669.98
	<u>178,021.57</u>	<u>244,653.01</u>
<b>From others - financial institution (secured)</b> (see note II below) L&T Infrastructure Finance Company Limited	5,038.84	6,935.58
	<u>183,060.41</u>	<u>251,588.59</u>
<b>iii. Loan from holding Company (unsecured)</b> (see note 28.3 and III below)	<b>12,350.00</b>	<b>12,350.00</b>
	<u>245,410.41</u>	<u>263,938.59</u>

**I. Redeemable non-convertible debentures**

**(a) Security**

The Company has issued ₹ 50,000.00 lacs of secured, non-cumulative and non-convertible redeemable debentures of face value ₹10 lacs each on 30 November, 2015 at par. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).

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

- a. First ranking *pari passu* charge on all the movable assets of the Company in relation to the project as set out in the terms agreed with the sole arranger;
- b. First ranking *pari passu* mortgage and charge over all the immovable properties (whether freehold or leasehold) pertaining to the Company (save and except - (i) the Forest Land; (ii) the land admeasuring 14,000 (fourteen thousand) square meters acquired by the Company from DVC on leasehold basis for construction of staff quarters; (iii) the Balance Land; and (iv) the railway Land), both present and future, which in aggregate would measure approximately 564.67 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company; and
- c. First ranking *pari passu* mortgage by way of an equitable mortgage or any other mortgage (whether freehold or leasehold) on the balance land within a period of three months from the date on which the balance land is transferred in the name of the Company along with the right to create security.

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

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

**(b) Interest**

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



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**(c) Redemption terms**

The debentures have the following redemption schedule:

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

**II. 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, 2015 ₹ 293,920.00 lacs) and repaid ₹ 90,068.97 lacs upto 31 March, 2016 (31 March, 2015 ₹ 23,517.46 lacs) in respect of 'Term loan I'. Balance outstanding as at 31 March, 2016 is ₹ 203,851.03 lacs (31 March, 2015 ₹ 270,402.54 lacs) of which ₹ 20,790.62 (31 March, 2015 ₹ 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
- 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;
- 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;



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- 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 floating base rate of State Bank of India 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, 2016 is as under:

<b>Period</b>	<b>Number of installments</b>	<b>Amount of installments (₹ Lacs)</b>	<b>Total Amount (₹ Lacs)</b>
1 April, 2016	1	2,205.28	2,205.28
1 July, 2016 to 1 October, 2020	19 (quarterly installments)	4,646.34	88,280.46
1 January, 2021	1	94,764.20	94,764.20
1 April, 2021	1	2,393.06	2,393.06
1 July, 2021	1	16,208.03	16,208.03
			<b>203,851.03</b>

**III. Loan from holding Company**

**(a) Interest**

Interest rate shall be calculated at a sum of floating base rate of State Bank of India plus 95 basis points ( 31 March, 2015: 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.



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	As at <b>31.03.2016</b> ₹ Lacs	As at <b>31.03.2015</b> ₹ Lacs
<b>NOTE 6: Other long-term liabilities</b>		
Retention money against capital expenditure	<u>485.23</u>	<u>411.11</u>
<b>Note 7: Long-term provisions</b>		
<b>Provision for employee benefits</b>		
-Provision for compensated absences	<u>327.63</u>	<u>272.82</u>
	<u><b>327.63</b></u>	<u><b>272.82</b></u>
<b>Note 8: Short-term borrowings</b>		
<b>From banks</b>		
(a) Secured		
- Cash credit	2,352.07	23,144.32
(b) Unsecured		
-Working capital loan repayable on demand	8,000.00	-
	<u>10,352.07</u>	<u>23,144.32</u>
<b>From others</b>		
(a) Unsecured		
- Commercial paper	10,000.00	7,500.00
	<u>20,352.07</u>	<u>30,644.32</u>
<b>Security</b>		
The Company has entered into 'Working Capital Facility Agreement' with State Bank of India 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 (see note below)</b>		
i. total outstanding dues of micro enterprises		
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	14,864.23	7,351.59
	<u>14,864.23</u>	<u>7,351.59</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, 2015: ₹ 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	20,272.21	18,295.54
ii. From others - secured	518.41	518.41
	<u>20,790.62</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	2,437.00	2,420.85
ii. Other payables		
(a) Statutory liabilities (including Provident Fund, Withholding Taxes, Value Added Tax and Service Tax and Tax on dividend)	2,028.78	810.77
(b) Payables on purchase of fixed assets	420.37	1,372.39
(c) Retention money	461.44	402.06
(d) Advance from customers	-	21.46
(e) Tariff adjustable account	28,600.01	17,945.15
(f) Others	1,699.35	1,705.40
	<u>35,646.95</u>	<u>24,678.08</u>
<b>Note 12: Short-term provisions</b>		
i. <b>Provision for employee benefits</b>		
(a) Provision for compensated absences	21.02	25.32
(b) Provision for gratuity (net)	7.29	195.07
	<u>28.31</u>	<u>220.39</u>



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**Note 13: Tangible assets (owned)**

(see note below)

	GROSS BLOCK			ACCUMULATED DEPRECIATION			(All amounts in ₹ Lacs) NET BLOCK			
	As at 01.04.2015	Additions	Deletions / (Adjustments)	Borrowing cost capitalised	As at 31.03.2016	As at 01.04.2015	For the year	Deletions / (Adjustments)	As at 31.03.2016	As at 31.03.2015
1 Freehold land	17,270.95 (-)	69.98 (17,270.95)	- (-)	- (-)	17,340.93 (17,270.95)	- (-)	- (-)	- (-)	- (-)	17,340.93 (17,270.95)
2 Buildings - plant	22,953.18 (17,596.70)	1,296.30 (5,344.30)	- (-)	56.75 (12.18)	24,306.23 (22,953.18)	2,080.10 (1,477.39)	771.32 (602.71)	- (-)	2,851.42 (2,080.10)	21,454.81 (20,873.08)
3 Buildings - others	11,878.54 (6,827.34)	4,745.21 (4,918.56)	- (-)	511.42 (132.64)	17,135.17 (11,878.54)	575.04 (357.71)	441.21 (217.33)	- (-)	1,016.25 (575.04)	16,118.92 (11,303.50)
4 Plant and machinery										
- Computers	228.32 (165.01)	7.02 (107.14)	32.51 (43.83)	- (-)	202.83 (228.32)	102.90 (88.35)	47.07 (44.26)	24.68 (29.71)	125.29 (102.90)	77.54 (125.42)
- Others	413,124.72 (413,467.19)	7,880.97 (2,816.74)	- (3,159.21)	230.30 (-)	421,235.99 (413,124.72)	68,802.88 (47,422.93)	21,669.10 (21,596.99)	- (217.04)	90,471.98 (68,802.88)	330,764.01 (344,321.84)
5 Furniture and fixtures	1,332.16 (1,223.62)	54.69 (111.75)	32.21 (3.21)	- (-)	1,386.85 (1,332.16)	305.67 (192.57)	199.96 (113.31)	- (0.21)	505.63 (305.67)	881.22 (1,026.49)
6 Vehicles	289.59 (285.24)	61.52 (8.75)	90.81 (4.40)	- (-)	260.30 (289.59)	145.41 (92.00)	91.29 (55.37)	71.03 (1.96)	165.67 (145.41)	94.63 (144.18)
7 Office equipment	645.80 (567.78)	78.57 (78.94)	7.82 (0.92)	- (-)	716.55 (645.80)	221.52 (104.03)	246.38 (118.41)	6.80 (0.92)	461.10 (221.52)	255.45 (424.28)
<b>Sub total</b>	<b>467,723.26 (440,132.88)</b>	<b>14,194.26 (30,657.13)</b>	<b>131.14 (3,211.57)</b>	<b>798.47 (144.82)</b>	<b>482,584.85 (467,723.26)</b>	<b>72,233.52 (49,734.98)</b>	<b>23,466.33 (22,748.38)</b>	<b>102.51 (249.84)</b>	<b>95,597.34 (72,233.52)</b>	<b>386,987.51 (395,489.74)</b>

**Note 14: Intangible assets**

(see note below)

	GROSS BLOCK			AMORTISATION			(All amounts in ₹ Lacs) NET BLOCK			
	As at 01.04.2015	Additions	Deletions / (Adjustments)	Borrowing cost capitalised	As at 31.03.2016	As at 01.04.2015	For the year	Deletions / (Adjustments)	As at 31.03.2016	As at 31.03.2015
1 Licenses	30.53 (30.53)	- (-)	- (-)	- (-)	30.53 (30.53)	21.02 (14.91)	6.11 (6.11)	- (-)	27.13 (21.02)	3.40 (9.51)
2 Computer software	19.59 (15.90)	6.68 (6.68)	2.99 (2.99)	- (-)	19.59 (19.59)	6.15 (5.39)	4.90 (2.29)	- (1.53)	11.05 (6.15)	8.54 (13.44)
3 Land - Right to use	7,936.78 (4,065.50)	3,871.28 (3,871.28)	- (-)	- (-)	7,936.78 (7,936.78)	702.50 (394.07)	414.62 (308.43)	- (-)	1,117.12 (702.50)	6,819.66 (7,234.28)
<b>Sub total</b>	<b>7,986.90 (4,111.93)</b>	<b>3,877.96 (3,877.96)</b>	<b>(2.99) (2.99)</b>	<b>- (-)</b>	<b>7,986.90 (7,986.90)</b>	<b>729.67 (414.37)</b>	<b>425.63 (316.83)</b>	<b>(1.53) (1.53)</b>	<b>1,155.30 (729.67)</b>	<b>6,831.60 (7,257.23)</b>
<b>Total</b>	<b>475,710.16 (444,244.81)</b>	<b>14,194.26 (34,535.09)</b>	<b>131.14 (3,214.56)</b>	<b>798.47 (144.82)</b>	<b>490,571.75 (475,710.16)</b>	<b>72,963.19 (50,149.35)</b>	<b>23,891.96 (23,065.21)</b>	<b>102.51 (251.37)</b>	<b>96,752.64 (72,963.19)</b>	<b>393,819.11 (402,746.97)</b>

Figures in brackets pertain to the previous year



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**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. As per the shareholders agreement, the title is to be transferred to the Company. Pending transfer of title as stated above, the Company had entered into an Indenture Deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company) and provision to create security in favour of Lenders and transfer this land to the Company at the cost at which it was acquired subject to approval of the Government of the State of Jharkhand. Subsequently, the Company had created security in favour of Lenders on 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. As per the shareholders agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (74 acres) and Forest Land (238 acres) on 18 January, 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter. 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). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand. The expenditure in connection with land including land compensation and Rehabilitation and Resettlement expenses has been capitalised.



**MAITHON POWER LIMITED**  
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	<b>As at 31.03.2016 ₹ Lacs</b>	<b>As at 31.03.2015 ₹ Lacs</b>
<b>Note 15: Long-term loans and advances</b>		
<b>i. Capital advances</b>		
(a) Secured, considered good		
- to others	2,920.67	3,705.11
(b) Unsecured, considered good		
- to others	2.26	1,135.50
	<b>2,922.93</b>	<b>4,840.61</b>
<b>ii. Security deposits (Unsecured, considered good)</b>		
- to related party (see note 28.3)	20.00	20.00
- to others	10.23	1.52
<b>iii. Loans and advances to employees (Unsecured, considered good)</b>	12.91	-
<b>iv. Advance income-tax [net of provision for income tax ₹ 11,105.42 lacs (31 March, 2015: ₹ 5,736.22 lacs)] (Unsecured, considered good)</b>	546.54	678.32
	<b>3,512.61</b>	<b>5,540.45</b>
<b>Note 16: Inventories (valued at lower of cost and net realisable value)</b>		
<b>i. Fuel</b>	8,517.70	10,046.22
Goods-in-transit	658.59	19.48
	9,176.29	10,065.70
<b>ii. Stores and spares</b>	2,535.41	2,461.35
<b>iii. Loose tools</b>	0.39	0.22
	<b>11,712.09</b>	<b>12,527.27</b>



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	As at <b>31.03.2016</b> ₹ Lacs	As at <b>31.03.2015</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	11,096.40	153.06
(b) Unsecured, considered good	11,460.55	418.26
	<u>22,556.95</u>	<u>571.32</u>
<b>ii. Other trade receivables</b>		
(a) Secured, considered good	928.97	11,125.44
(b) Unsecured, considered good	32,806.02	33,020.09
	<u>33,734.99</u>	<u>44,145.53</u>
	<b><u>56,291.94</u></b>	<b><u>44,716.85</u></b>
<b>Note 18: Cash and cash equivalents</b>		
(As per AS 3 Cash Flow Statements)		
i. Cash on hand	0.15	0.25
ii. Balances with banks: In current accounts	3,055.83	1,207.25
	<u>3,055.98</u>	<u>1,207.50</u>
<b>Note 19: Short-term loans and advances</b>		
(Unsecured, considered good unless otherwise stated)		
i. Security deposits	-	20.44
ii. Loans and advances to employees	4.77	16.60
iii. Prepaid expenses	566.28	645.83
iv. Balances with government authorities	310.00	0.01
v. Advance to suppliers	397.89	2,525.56
vi. Others	0.30	4.93
	<u>1,279.24</u>	<u>3,213.37</u>
<b>Note 20: Other current assets</b>		
i. Unbilled revenue	6,243.10	4,501.92
ii. Tariff recoverable account	7,049.15	3,642.55
iii. Insurance claims receivable	-	1,275.62
iv. Others	1.38	89.87
	<u>13,293.63</u>	<u>9,509.96</u>



**MAITHON POWER LIMITED**  
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	Year ended 31.03.2016 ₹ Lacs	Year ended 31.03.2015 ₹ Lacs
<b>Note 21: Revenue from operations</b>		
i. Sale from supply of power	242,144.40	263,915.69
ii. Income recoverable/adjustable from tariff (see note below)	(7,248.27)	(32,169.02)
iii. Other operating revenue - Sale of cenosphere	27.59	24.21
	<b>234,923.72</b>	<b>231,770.88</b>

**Note:**

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

	Year ended 31.03.2016 ₹ Lacs	Year ended 31.03.2015 ₹ Lacs
<b>Note 22: Other income</b>		
i. Interest income		
(a) From banks	14.79	16.46
(b) Others	0.94	-
ii. Gain on sale of current investments	109.86	71.16
iii. Insurance claim	-	-
iv. Foreign exchange fluctuation gain	2.66	0.44
v. Profit on fixed assets sold (net)	7.31	-
vi. Miscellaneous Income	14.92	17.36
	<b>150.48</b>	<b>105.42</b>

**Note 23: Employee benefits expense**

i. Salaries and wages	3,145.20	2,671.36
ii. Contribution to provident fund	151.38	132.68
iii. Contribution to superannuation fund	46.71	40.04
iv. Retiring gratuities	74.35	184.79
v. Leave encashment scheme	85.06	105.46
vi. Staff welfare expenses	304.68	378.04
	3,807.38	3,512.37
Less: Transferred to capital work-in-progress	247.43	163.24
	<b>3,559.95</b>	<b>3,349.13</b>



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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended <b>31.03.2016</b> ₹ Lacs	Year ended <b>31.03.2015</b> ₹ Lacs
<b>Note 24: Finance costs</b>		
i. Interest on:		
(a) Short term borrowings and cash credit	285.25	2,178.96
(b) Commercial paper	1,086.24	-
(c) Buyer's credit	-	2.05
(d) Debentures	1,589.82	-
(e) Term loan	27,439.91	32,390.65
	<b>30,401.22</b>	<b>34,571.66</b>
Less: Transferred to capital work-in-progress	-	344.37
	<b>30,401.22</b>	<b>34,227.29</b>
ii. Other finance costs	473.52	46.73
iii. Bank charges	217.76	344.86
	<b>31,092.50</b>	<b>34,618.88</b>
<b>Note 25: Depreciation and amortisation expense</b>		
i. Depreciation on tangible assets	23,466.33	22,748.38
ii. Amortisation of intangible assets	425.63	316.83
	<b>23,891.96</b>	<b>23,065.21</b>
<b>Note 26: Other expenses</b>		
i. Consumption of stores and spare parts	2,439.16	1,605.64
ii. Power and fuel	79.25	99.93
iii. Water charges	1,003.77	954.41
iv. Rent and hire charges	57.75	68.50
v. Repairs and maintenance		
- Buildings	123.01	41.84
- Plant and machinery	4,161.07	4,296.79
- Others	224.05	604.65
vi. Insurance	866.31	1,232.72
vii. Rates and taxes	123.31	29.38
viii. Communication expenses	51.39	57.46
ix. Travelling and conveyance	300.66	333.81
x. Consultants' fees	190.50	351.03
xi. Legal charges	40.94	37.88
xii. Payment to auditors ( see note 'i' below)	53.63	46.22
xiii. Loss on fixed assets sold / written off (net)	-	8.42
xiv. Other current assets written off	60.65	90.31
xv. Cash discount on sales	3,769.06	3,425.21
xvi. Trading margin on power sale	56.43	95.87
xvii. Operation and maintenance charges	4,792.61	3,025.31
xviii. Transmission charges	1,912.91	3,037.98
xix. Ash disposal expenses	3,791.36	6,098.44
xx. Security and safety expenses	783.68	558.77
xxi. Corporate social responsibility expenses	186.98	172.04
xxii. Miscellaneous expenses	443.74	291.61
	<b>25,512.22</b>	<b>26,564.22</b>
Less: Transferred to capital work-in-progress	68.27	168.12
	<b>25,443.95</b>	<b>26,396.10</b>
<b>Note 'i'</b>		
<b>Payment to auditor's (inclusive of service tax)</b>		
i. Statutory audit fees	33.38	26.97
ii. Taxation service	12.13	12.28
iii. Other service	3.23	1.52
iv. Reimbursement of expenses	4.89	5.45
	<b>53.63</b>	<b>46.22</b>



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

**27.1 Contingent liabilities**

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 Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 17,982.74 lacs (31 March, 2015: ₹ 26,510.75 lacs).

**27.3** a) The year-end foreign currency exposures of the Company is Nil (31 March, 2015: Nil).

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

<b>Particulars</b>	<b>Year ended 31.03.2016 ₹ lacs</b>	<b>Year ended 31.03.2015 ₹ lacs</b>
Spares	416.06	615.71

**27.5** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company



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

**27.6 Expenditure on corporate social responsibility**

- a) Gross amount required to be spent by the Company during the year ended 31 March, 2016: ₹186.98 lacs (31 March, 2015: ₹ nil).
- b) Amount spent during the year ended 31 March, 2016:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(a) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(b) On purposes other than (i) above	186.98	-	186.98
	(172.04)	(-)	(172.04)
(c) Details of related party transactions			
- Contribution during the year ended 31 March, 2016	-	-	-
	(-)	(-)	(-)
- Payable as at 31 March, 2016	-	-	-
	(-)	(-)	(-)

Note: Figures in brackets pertains to the previous year.

**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 ₹ 151.38 lacs (31 March, 2015: ₹ 132.68 lacs) and ₹ 46.71 lacs (31 March, 2015: ₹ 40.04 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, 2016. The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:



**MAITHON POWER LIMITED**  
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**i. Components of employer's expense**

<b>Particulars</b>	<b>Year ended 31.03.2016 ₹ lacs</b>	<b>Year ended 31.03.2015 ₹ lacs</b>
Current Service cost	61.98	37.99
Interest cost	34.51	25.45
Actuarial loss / (gain)	14.99	151.22
Expected return on plan assets	(37.13)	(29.87)
<b>Total expense recognised in the statement of profit and loss</b>	<b>74.35</b>	<b>184.79</b>

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

<b>Particulars</b>	<b>As at 31.03.2016 ₹ lacs</b>	<b>As at 31.03.2015 ₹ lacs</b>
Present value of defined benefit obligation	(609.60)	(439.78)
Fair value of plan assets	602.31	244.71
Funded status (Deficit)	(7.29)	(195.07)
Unrecognised past service costs	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>(7.29)</b>	<b>(195.07)</b>
- Current liability	7.29	195.07

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

<b>Particulars</b>	<b>2015-16 ₹ lacs</b>	<b>2014-15 ₹ lacs</b>
Present value of DBO at beginning of the year	439.78	352.84
Current service cost	61.98	37.99
Interest Cost	34.51	25.45
Actuarial loss	21.97	63.09
Acquisitions cost	57.18	115.88
Benefits paid	-	(155.47)
<b>Present value of DBO at the end of the year</b>	<b>609.60</b>	<b>439.78</b>



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

Particulars	As at 31.03.2016 ₹ lacs	As at 31.03.2015 ₹ lacs
Plan assets at beginning of the year	244.71	342.56
Expected return on plan assets	37.13	29.87
Acquisition adjustment	-	115.88
Actual company contributions	313.49	-
Actuarial gain / (loss)	6.98	(88.13)
Benefits paid	-	(155.47)
<b>Plan assets at the end of the year</b>	<b>602.31</b>	<b>244.71</b>
Estimate of amount of contribution in the immediate next year	60.68	59.36

**v. Experience history\*:**

Particulars	2015-16 ₹ lacs	2014-15 ₹ lacs	2013-14 ₹ lacs	2012-13 ₹ lacs	2011-12 ₹ lacs
DBO at the end of the year	(609.60)	(439.78)	(352.84)	(210.50)	(12.79)
Plan assets at the end of the year	602.31	224.71	342.56	-	-
Funded status (Deficit)	(7.29)	(195.07)	(10.28)	(210.50)	(12.79)
Experience gain / (loss) adjustments on plan liabilities	(21.97)	(12.91)	(48.06)	11.91	-
Experience gain / (loss) adjustments on plan assets	6.98	(88.13)	-	-	-

**Principal actuarial assumptions:**

S. No.	Particulars	Refer Note below	Year ended 31.03.2016	Year ended 31.03.2015
i.	Discount rate (p.a.)	1	7.90%	7.90%
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%



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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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:**

S. No.	Particulars	2015-16	2014-15
1.	Retirement age	60 years	60 years
2.	Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ult.	Indian Assured Lives Mortality (2006-08) modified Ult.

**b. Actuarial assumptions for compensated absences**

S. No.	Particulars	Refer Note below	Year ended 31.03.2016	Year ended 31.03.2015
i.	Discount rate (p.a.)	1	7.90%	7.90%
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.
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.



**MAITHON POWER LIMITED**  
**NOTES FORMING PART OF THE 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. Kozi part Chandrashekhar-Chief Executive Officer and Director

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

Particulars	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total	₹ lacs
<b>I. Transactions during the year ended 31 March, 2016</b>									
Power supply	-	64,318.05	165,962.55	-	-	-	-	230,280.60	
	(-)	(70,902.35)	(192,160.54)	(-)	(-)	(-)	(-)	(2,63,062.89)	
Cash discount on sales	-	-	3,121.22	-	-	-	-	3,121.22	
	(-)	(-)	(3,425.21)	(-)	(-)	(-)	(-)	(3,425.21)	
Trading margin on power sale	-	-	56.43	-	-	-	-	56.43	
	(-)	(-)	(95.87)	(-)	(-)	(-)	(-)	(95.87)	
Operation and maintenances charges	4,396.63	-	-	-	-	-	-	4,396.63	
	(2,869.42)	(-)	(-)	(-)	(-)	(-)	(-)	(2,869.42)	
Transmission charges	-	-	915.18	-	-	-	-	915.18	
	(-)	(-)	(831.95)	(-)	(-)	(-)	(-)	(831.95)	
Rent and hire charges	4.75	5.13	-	-	-	-	-	9.88	
	(22.58)	(6.52)	(-)	(-)	(-)	(-)	(-)	(29.10)	
Power and fuel	-	70.16	-	-	-	-	-	70.16	
	(-)	(49.27)	(-)	(-)	(-)	(-)	(-)	(49.27)	



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

Particulars	₹ lacs							
	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total
Water charges	- (-)	965.56 (917.16)	- (-)	- (-)	- (-)	- (-)	- (-)	965.56 (917.16)
Rendering of Services	- (4.55)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (4.55)
Interest on loan	1,302.56 (1,352.33)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,302.56 (1,352.33)
Reimbursement of expenses by the Company	- (228.04)	- (0.76)	- (-)	- (-)	- (-)	- (-)	- (-)	- (228.80)
Reimbursement of expenses to the Company	7.23 (10.55)	43.24 (43.76)	86.48 (87.52)	- (-)	- (-)	- (-)	- (-)	136.95 (141.83)
Purchase of fixed Assets	0.24 (6.23)	- (-)	- (-)	- (-)	- (-)	- (8.75)	- (-)	0.24 (14.98)
Sale of fixed Assets	2.28 (10.94)	- (-)	- (-)	- (0.65)	0.28 (-)	0.71 (0.38)	- (-)	3.27 (11.97)
Service received related to capital work in progress	48.75 (1,237.25)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	48.75 (1,237.25)
Transfer of funds for settlement of project related liabilities	3,057.83 (15,051.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,057.83 (15,051.00)
<b>Managerial remuneration</b>								
Ashok Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (11.96)	- (11.96)
Bhaskar Sarkar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (14.48)	- (14.48)
Kozipart Chandrashekhar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	111.04 (56.06)	111.04 (56.06)
<b>ii. Balances outstanding as at 31 March, 2016</b>								
Trade receivables	- (-)	39,155.99 (25,186.09)	16,890.33 (19,279.09)	- (-)	- (-)	- (-)	- (-)	56,046.32 (44,465.18)
Unbilled revenue	- (-)	5,641.40 (4,491.93)	350.86 (-)	- (-)	- (-)	- (-)	- (-)	5,992.26 (4,491.93)



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

Particulars								₹ lacs
	TPCL	DVC	TPTCL	PTL	IEL	CGPL	KMP	Total
Long-term loans and advances - Security deposits	-	20.00	-	-	-	-	-	20.00
	(-)	(20.00)	(-)	(-)	(-)	(-)	(-)	(20.00)
Other current assets - Others	0.58	-	-	-	-	0.80	-	1.38
	(14.11)	(-)	(-)	(-)	(-)	(0.38)	(-)	(14.49)
Long term borrowings	12,350.00	-	-	-	-	-	-	12,350.00
	(12,350.00)	(-)	(-)	(-)	(-)	(-)	(-)	(12,350.00)
Trade payables	504.67	92.46	-	-	-	-	-	330.23
	(208.26)	(90.87)	(31.10)	(-)	(-)	(-)	(-)	(330.23)
Interest accrued but not due on borrowings	-	-	-	-	-	-	-	-
	(1,217.09)	(-)	(-)	(-)	(-)	(-)	(-)	(1,217.09)
Other current liabilities - retention money	-	-	-	-	-	-	-	-
	(4.63)	(-)	(-)	(-)	(-)	(-)	(-)	(4.63)
Letter of credit received	-	5,816.93	6,209.30	-	-	-	-	12,026.23
	(-)	(5,096.61)	(6,181.89)	(-)	(-)	(-)	(-)	(11,278.50)
Bank guarantee given	-	65.70	-	-	-	-	-	65.70
	(-)	(65.70)	(-)	(-)	(-)	(-)	(-)	(65.70)
Bank guarantee issued on behalf of the Company	-	-	-	-	-	-	-	-
	(12,658.00)	(-)	(-)	(-)	(-)	(-)	(-)	(12,658.00)

Note: Figures in brackets pertain to 31 March, 2015.



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

**28.4 Earnings per share (EPS)**

Particulars	Units	Year ended 31.03.2016	Year ended 31.03.2015
a. Net profit after tax	₹ Lacs	18,909.87	21,051.31
b. Weighted average number of equity shares of ₹ 10 each	Nos.	1,508,917,729	1,508,917,729
c. Basic earnings per share (a/b)	₹	1.25	1.40
d. Weighted average number of shares outstanding during the year for calculation of diluted earnings per share	Nos.	1,508,917,729	1,508,917,729
e. Diluted earnings per share (a/d)	₹	1.25	1.40
f. Effect of potential equity shares (c-e)	₹	-	-

**Note 29 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, 2015: ₹ 11,997.50 lacs) upto 31 March, 2016. 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, 2016.

**Note 30**

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**



*Ashok Sethi*

**Ashok Sethi**  
Chairman

*Sanjeev Kumar Seth*

**Sanjeev Kumar Seth**  
Director

*K Chandrashekar*

**Kozipart Chandrashekar**  
Chief Executive Officer and  
Executive Director

*Pradip Roy*

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

Place: *Mumbai*  
Date: *28 April, 2016*