

TATA POWER TRADING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA POWER TRADING COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER TRADING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and 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 does not have any pending litigations which would impact its financial position – Refer Note 25(a) 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 28 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 31 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)



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

New Delhi, 13 May, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 **TATA POWER TRADING COMPANY 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



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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)



A handwritten signature in blue ink that reads "Alka Chadha".

Alka Chadha
Partner
(Membership No. 93474)

New Delhi, 13 May, 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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Company does not have any immovable properties of freehold land and building and in respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. The Company does not have any buildings that have been taken on lease and disclosed as fixed asset in the financial statements.
- ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- 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 provided 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. There are no unclaimed deposits as per the provisions of sections 73 to 76 of the Act.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- 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, Value Added Tax, Cess and other material statutory dues applicable to it to 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 Customs Duty and Excise Duty.

- b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material



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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 Customs Duty and Excise Duty.

- c. There are no dues of Income-tax, Sales Tax, Service Tax 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 Customs Duty and 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 banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- ix. 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. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. 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 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 177 and 188 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.
- 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.



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xvi. The Company is not required to be registered under section 45-IA 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)

New Delhi, 13 May, 2016

TATA POWER TRADING COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

	Notes	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	160,000,000	160,000,000
(b) Reserves and surplus	4	1,341,682,126	1,238,271,924
		1,501,682,126	1,398,271,924
2. Non-current liabilities			
(a) Long-term borrowings	5	215,234,320	63,000,000
(b) Deferred tax liabilities (net)	6	66,865,764	539,000
(c) Long-term provisions	7	20,143,216	-
		302,243,300	63,539,000
3. Current liabilities			
(a) Short-term borrowings	8	2,364,601,896	2,455,921,839
(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		4,714,028,612	2,689,301,172
(c) Other current liabilities	10	241,999,146	386,817,337
(d) Short-term provisions	11	65,088,042	112,582,520
		7,385,717,696	5,644,622,868
TOTAL		9,189,643,122	7,106,433,792
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	304,223,723	93,323,090
(ii) Intangible assets	12	41,358,604	5,048,652
(iii) Capital work-in-progress		231,165,851	355,995,138
(iv) Intangible assets under development		-	25,472,290
		576,748,178	479,839,170
(b) Non-current investments	13	30,000,000	30,000,000
(c) Long-term loans and advances	14	76,073,006	6,786,800
		682,821,184	516,625,970
2. Current assets			
(a) Trade receivables	15	6,681,051,298	5,277,725,091
(b) Cash and cash equivalents	16	2,735,326	34,292,381
(c) Short-term loans and advances	17	48,070,726	49,471,922
(d) Other current assets	18	1,774,964,588	1,228,318,428
		8,506,821,938	6,589,807,822
TOTAL		9,189,643,122	7,106,433,792

See accompanying notes forming part of the financial statements 1-36

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner



New Delhi
13 May, 2016

For and on behalf of the Board of Directors

S. Ramakrishnan
S. Ramakrishnan
Chairman



Amey S Naik
Amey S Naik
Chief Financial Officer

New Delhi
13 May, 2016

Sanjeev Mehra
Sanjeev Mehra
Managing Director

T N Ramakrishnan
T N Ramakrishnan
Company Secretary

TATA POWER TRADING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

	Notes	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
1. Revenue from operations	19	59,423,719,658	41,812,057,705
2. Other income	20	6,535,292	50,870,751
3. Total revenue (1+2)		59,430,254,950	41,862,928,456
4. Expenses			
(a) Cost of power purchased		59,428,830,397	41,699,520,324
Less : Cash discount earned		786,832,233	604,118,907
		<u>58,641,998,164</u>	<u>41,095,401,417</u>
(b) Compensation expenses / (income) (net)			
Compensation incurred		22,227,251	99,809,636
Less: Compensation earned		22,228,412	99,986,651
		<u>(1,161)</u>	<u>(177,015)</u>
(b) Employee benefits expense	21	53,089,771	-
(c) Finance costs	22	205,324,797	116,045,527
(d) Depreciation and amortisation expense	12	28,839,513	4,812,080
(e) Other expenses	23	250,152,767	210,630,546
Total expenses		59,179,403,851	41,426,712,555
5. Profit before tax (3-4)		250,851,099	436,215,901
6. Tax expenses			
(a) Current tax expense		71,163,552	124,010,000
(b) (Less): MAT credit		(44,751,990)	-
(c) Short / (Excess) provision for tax relating to prior years		(3,069,100)	-
(d) Net current tax expense		23,342,462	124,010,000
(e) Deferred tax		66,326,764	20,944,900
Total tax expense		89,669,226	144,954,900
7. Profit for the year (5-6)		161,181,873	291,261,001
8. Earnings per equity share [face value of share Rs. 10 each]			
Basic and diluted	34	10.07	18.20

See accompanying notes forming part of the financial statements

1-36

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner



S. Ramakrishnan

S. Ramakrishnan
Chairman



Amey S Naik
Amey S Naik
Chief Financial Officer

Sanjeev Mehra

Sanjeev Mehra
Managing Director

T N Ramakrishnan

T N Ramakrishnan
Company Secretary

New Delhi
13 May, 2016

New Delhi
13 May, 2016

TATA POWER TRADING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
A. Cash flow from operating activities		
Profit before tax	250,851,099	436,215,901
Adjustments for:		
Depreciation / amortisation expenses	28,839,513	4,812,080
Finance costs	205,324,797	116,045,527
Loss on sale of fixed assets (net)	80,967	139,969
Interest income	-	(260,239)
Liabilities no longer required written back	-	(5,355,490)
Dividend income from current investments- mutual fund	(995,770)	(17,483,541)
Profit on sale of current investments	(736,029)	(138,892)
Provision for doubtful trade receivables and advances / (written back)	74,169,276	(27,274,131)
Operating profit before working capital changes	557,533,853	506,701,184
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,476,895,621)	(2,589,790,103)
Short-term loans and advances	801,333	(387,493)
Other current assets	(546,646,160)	4,189,739
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,024,727,440	533,792,876
Other current liabilities	(58,728,680)	27,606,948
Short term provisions	267,457	-
Long term provisions	20,143,216	-
Cash generated from operations	521,202,838	(1,517,886,849)
Taxes paid	(79,701,618)	(129,727,209)
Net cash flow from / (used in) operating activities	A 441,501,220	(1,647,614,058)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(250,697,666)	(303,008,617)
Proceeds from sale of fixed assets	155,791	51,475
Purchase of current investments	(5,880,999,997)	(26,079,483,543)
Proceeds from sale of current investments	5,881,736,026	26,079,622,435
Interest received	-	260,239
Dividend received	995,770	17,483,541
Net cash used in investing activities	B (248,810,076)	(285,074,470)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	165,800,000	63,000,000
Proceeds from short-term borrowings-bank overdraft	980,782,538	(48,692,762)
Proceeds from other short-term borrowings	19,410,888,067	14,944,884,767
Repayment of other short-term borrowings	(20,482,990,547)	(12,788,962,928)
Finance cost paid	(189,055,149)	(105,061,612)
Bank charges paid	(13,386,990)	(10,983,915)
Dividend paid	(80,000,000)	(80,000,000)
Tax on dividend	(16,286,118)	(13,596,000)
Net cash flow from / (used in) financing activities	C (224,248,199)	1,960,587,550
D. Net increase / (decrease) in cash and cash equivalents	(A+B+C) (31,557,055)	27,899,022
E. Cash and cash equivalents at the beginning of the year	34,292,381	6,393,359
F. Cash and cash equivalents at the end of the year	16 2,735,326	34,292,381

See accompanying notes forming part of the financial statements

1-36

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants


Alka Chadha
Partner



For and on behalf of the Board of Directors


S. Ramakrishnan
Chairman




Amey S Naik
Chief Financial Officer


Sanjeev Mehra
Managing Director


T N Ramakrishnan
Company Secretary

New Delhi
13 May, 2016

New Delhi
13 May, 2016

TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Background:

Tata Power Trading Company Limited is a wholly owned subsidiary of The Tata Power Company Limited. The Company is engaged in the business of trading of electricity across the country. Central Electricity Regulatory Commission (CERC) has granted Category "I" certificate to the Company for purposes of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities. Further, the Company also provides consultancy services relating to procurement/sale of power, coal and Clean Development Mechanism (CDM) advisory services.

Note 2 Significant Accounting Policies:

a) Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 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 financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known / materialise.

c) 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.

d) Cash flow statement:

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

e) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation, amortisation and impairment loss if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition.



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f) Depreciation and amortisation:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the Vehicles 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) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

h) Revenue Recognition:

- i. Revenue from sale of power is accounted for based on rates agreed with the customers and is inclusive of trading margin.
- ii. For sale of power under banking arrangements only margin earned on the transactions is accounted for as revenue.
- iii. Revenue in the nature of advisory services rendered towards finalisation of power purchase agreements, CDM services, load management etc. is recognised when the fees are determined under the terms of respective agreements.
- iv. Delayed payment charges for power supply are recognised, on grounds of prudence, as and when recovered / confirmed by consumers.
- v. Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.
- vi. Revenue from sale of Power generated is recognised on accrual basis, as per rates agreed in the Power sale agreement.

i) Other income

Interest income is accounted on accrual basis.

j) Employee benefits

Employee benefits include provident fund, gratuity scheme, compensated absences, retirement gifts and long-term service awards.

Defined contribution plans

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



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined benefit plan:

For defined benefit plans in the form of gratuity and retirement gifts, 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. 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.

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. Long-term service awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

k) Segment Reporting:

As the Company's business activity consists only of Power Trading and related consultancy activities, as such there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006.

l) Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a 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



TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

m) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) 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 (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

n) 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 highly probable that future economic benefit associated with it will flow to the Company.

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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are 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 the assets. 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 reliability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

o) 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



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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. Contingent assets are not recognised in the financial statements.

p) Operating Cycle

Based on the nature of 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.



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Share capital

	As at 31.03.2016		As at 31.03.2015	
	Nos.	Rs.	Nos.	Rs.
Authorised				
Equity shares of Rs. 10 each	20,000,000	200,000,000	20,000,000	200,000,000
6% Non cumulative redeemable preference shares of Rs. 10 each	18,000,000	180,000,000	18,000,000	180,000,000
	<u>38,000,000</u>	<u>380,000,000</u>	<u>38,000,000</u>	<u>380,000,000</u>
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid	16,000,000	160,000,000	16,000,000	160,000,000
Total issued, subscribed and fully paid-up share capital	<u>16,000,000</u>	<u>160,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2016		As at 31.03.2015	
	Nos.	Rs.	Nos.	Rs.
Equity shares				
At the beginning and at the end of the period	<u>16,000,000</u>	<u>160,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>

b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 holding company

16,000,000 shares (31 March 2015 - 16,000,000 shares) being the entire share capital is held by the The Tata Power Company Limited.

d. Details of shares held by each shareholders holding more than 5% shares

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 10 each fully paid				
The Tata Power Company Limited, holding company	16,000,000	100%	16,000,000	100%
			<u>As at 31.03.2016</u>	<u>As at 31.03.2015</u>
			Rs.	Rs.

Note 4 Reserves and surplus

Securities premium account				
Opening and closing balance			208,950,000	208,950,000
General reserve				
Opening balance			135,500,000	103,500,000
Add: Amount transferred from surplus in the Statement of Profit and Loss			-	32,000,000
Closing balance			<u>135,500,000</u>	<u>135,500,000</u>
Surplus in the Statement of Profit and Loss				
Opening balance			893,821,924	730,847,041
Add : Profit for the year			161,181,873	291,261,001
Less: Proposed dividend (amount per share Rs. 3 (31 March 2015 - Rs. 5))			48,000,000	80,000,000
Less: Tax on proposed dividend			9,771,671	16,286,118
Less: Transfer to general reserve			-	32,000,000
Closing surplus in Statement of Profit and Loss			<u>997,232,126</u>	<u>893,821,924</u>
			<u>1,341,682,126</u>	<u>1,238,271,924</u>



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 5 Long-term borrowings		
Term loan from Kotak Mahindra bank (Secured) (See note 5a)	215,234,320	63,000,000
Note 5a:		
a) Term loan from Kotak Mahindra Bank has interest rate of 10.20% per annum and is secured by first charge by way of hypothecation of Company's moveables including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks. The loan is repayable in 36 quarterly equal installments commencing from 30 June, 2016.	49,434,320	63,000,000
b) Term loan from Kotak Mahindra Bank has interest rate of 10.05% per annum and is secured by first charge by way of hypothecation of Company's moveables including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks. The loan is repayable in 44 quarterly installments commencing from 30 September, 2016.	165,800,000	-
Note 6 Deferred tax liabilities (net)		
Deferred tax liabilities (A)		
On difference between book balance and tax balance of fixed assets	108,680,720	13,193,454
Total (a)	108,680,720	13,193,454
Deferred tax assets (B)		
Provision for doubtful trade receivables and advances	38,553,037	12,654,454
Provision for employee benefits	3,261,919	-
Total (b)	41,814,956	12,654,454
Deferred tax liabilities (net) (A-B)	66,865,764	539,000
Note 7 Long-term provisions		
Provision for employee benefits		
Provision for gratuity	9,054,745	-
Provision for compensated absences	10,486,250	-
Provision for other employee benefits	602,221	-
	20,143,216	-
Note 8 Short-term borrowings		
Term loan from banks (Secured) (See note below)	683,819,358	2,455,921,839
Bank overdraft (Secured) (See note below)	980,782,538	-
Commercial paper	700,000,000	-
	2,364,601,896	2,455,921,839
Note:		
Secured by first charge by way of hypothecation of Company's moveables including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks.		
Note 9 Trade payables		
i. total outstanding dues of micro enterprises and small enterprises.	-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises (see note 29)	4,714,028,612	2,689,301,172
	4,714,028,612	2,689,301,172
Note 10 Other current liabilities		
Current maturities of long-term borrowings (see note 5a)	13,565,680	-
Interest accrued but not due	2,882,658	-
Statutory liabilities (provident fund, withholding taxes, service tax etc.)	26,155,137	19,154,191
Payables on purchase of fixed assets	67,771,802	170,309,651
Security deposits from customers	81,729,829	142,674,088
Security deposits from vendors	5,020,066	5,056,995
Advances from customers	44,057,096	48,550,699
Other liabilities	816,878	1,071,713
	241,999,146	386,817,337
Note 11 Short-term provisions		
Provision for employee benefits		
Provision for gratuity	15,529	-
Provision for compensated absences	251,928	-
	267,457	-
Other provisions		
Provision for tax [net of advance tax Rs. 211,864,640 (as at 31 March, 2015 - Rs. 255,463,599)]	7,048,914	16,296,402
Proposed dividend	48,000,000	80,000,000
Provision for tax on proposed dividend	9,771,671	16,286,118
	64,820,585	112,582,520
	65,088,042	112,582,520



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 13 Non-current investments		
Trade investments (valued at cost less diminution, other than temporary, if any)		
Equity Shares (Unquoted)		
2,500,000 (31 March, 2015 - 2,500,000) equity shares of Rs. 10 each fully paid-up in Power Exchange India Limited	25,000,000	25,000,000
Less: Provision for other than temporary diminution in value of investments	25,000,000	25,000,000
	<u>-</u>	<u>-</u>
Non-trade investments		
Preference Shares (Unquoted)		
300,000 (31 March 2015 - 300,000) 7.25% redeemable cumulative convertible preference shares of Rs. 100 each fully paid-up in Tata Ceramics Limited	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
	<u>30,000,000</u>	<u>30,000,000</u>
Note 14 Long term loans and advances (Unsecured, considered good)		
Advance income-tax (net of provisions Rs. 469,483,983 (as at 31 March, 2015 - Rs. 348,543,083)	9,146,478	6,786,800
Capital advances	22,174,538	-
MAT credit entitlement	44,751,990	-
	<u>76,073,006</u>	<u>6,786,800</u>
Note 15 Trade receivables (Unsecured unless otherwise stated)		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	592,735,758	7,347,256
Considered doubtful	56,910,889	13,924,064
	649,646,647	21,271,320
Less: Provision for doubtful trade receivables	56,910,889	13,924,064
	<u>592,735,758</u>	<u>7,347,256</u>
Other Trade receivables		
Considered good	6,088,315,540	5,270,377,835
Considered doubtful	49,699,690	19,117,101
	6,138,015,230	5,289,494,936
Less: Provision for doubtful trade receivables	49,699,690	19,117,101
	<u>6,088,315,540</u>	<u>5,270,377,835</u>
	<u>6,681,051,298</u>	<u>5,277,725,091</u>



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 16 Cash and cash equivalents		
Balances with banks - In current accounts	<u>2,735,326</u>	<u>34,292,381</u>
Note 17 Short-term loans and advances - Unsecured		
Security deposits		
Considered good	34,225,890	20,761,790
Doubtful	<u>500,000</u>	<u>500,000</u>
	34,725,890	21,261,790
Less: Provision for doubtful advances	<u>500,000</u>	<u>500,000</u>
	34,225,890	20,761,790
Prepaid expense	11,067,411	16,570,161
Other loans and advances		
Considered good	2,777,425	12,139,971
Doubtful	<u>4,288,629</u>	<u>3,688,766</u>
	7,066,054	15,828,737
Less: Provision for doubtful advances	<u>4,288,629</u>	<u>3,688,766</u>
	2,777,425	12,139,971
	<u>48,070,726</u>	<u>49,471,922</u>
Note 18 Other current assets		
Unbilled revenue	<u>1,774,964,588</u>	<u>1,228,318,428</u>
	1,774,964,588	1,228,318,428



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Note 19 Revenue from operations		
Revenue from power supply	59,780,833,640	42,086,248,729
Less : Cash discount allowed	380,196,864	290,251,668
	59,400,636,776	41,795,997,061
Sale of services		
Revenue from power banking sale (net of service tax paid)	23,622	4,907,504
Income from advisory services	8,656,646	2,062,323
Income from other services	14,402,614	9,090,817
	23,082,882	16,060,644
	59,423,719,658	41,812,057,705
Note 20 Other income		
Dividend income from current investments- mutual fund	995,770	17,483,541
Liquidated damages recovered	4,803,493	-
Delayed payment charges received	-	358,458
Profit on sale of current investments	736,029	138,892
Interest income from banks on deposits	-	260,239
Provision for doubtful trade receivables and advances written back (net)	-	27,274,131
Liabilities no longer required written back	-	5,355,490
	6,535,292	50,870,751



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
Note 21 Employee benefits expense		
Salaries and wages	40,303,660	-
Contributions to provident fund	1,577,338	-
Gratuity expenses	3,237,381	-
Leave encashment scheme	6,527,320	-
Staff welfare expenses	1,444,072	-
	<u>53,089,771</u>	<u>-</u>
Note 22 Finance costs		
Interest expense on:		
- short-term borrowings from holding company	-	364,932
- other short-term borrowings	172,507,643	104,304,195
- long-term borrowings	19,120,055	-
Delayed payment charges	310,109	392,485
Bank charges	13,386,990	10,983,915
	<u>205,324,797</u>	<u>116,045,527</u>
Note 23 Other expenses		
Rent expense	27,375,469	19,660,853
Repairs and maintenance - Others	12,342,549	3,469,568
Travelling and conveyance	6,675,094	6,113,054
Loss on sale of fixed assets (net)	80,967	139,969
Licence and other fees	8,579,323	10,791,536
Cost of outsourced services	63,205,399	110,815,341
Brand equity fees	17,245,453	25,965,304
Provision for doubtful trade receivables and advances	74,169,276	-
Legal and professional charges	22,291,432	17,676,439
Payment to auditors (See note below)	2,902,575	2,563,943
Director fees	1,686,314	-
Expenditure on corporate social responsibility	9,095,124	7,700,501
Miscellaneous expenses	4,503,792	5,734,038
	<u>250,152,767</u>	<u>210,630,546</u>
Note:		
Payments to the auditors comprise (inclusive of service tax):		
To statutory auditors		
For audit	1,946,500	1,348,320
For taxation matters	200,375	196,630
For other services	687,000	797,756
Reimbursement of expenses	68,700	221,237
	<u>2,902,575</u>	<u>2,563,943</u>

The remuneration disclosed above excludes fees of Rs. 2,441,829 (Previous year Rs. 492,839) (including service tax) for other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24: Expenditure on corporate social responsibility

- a) Gross amount required to be spent by the Company during the year ended 31 March, 2016: Rs. 85.11 lacs (Previous year Rs. 77 lacs).
- b) Amount spent during the year ended 31 March, 2016:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	9,095,124 (7,700,501)	-	9,095,124 (7,700,501)
(iii) 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 25: Contingent liabilities and commitments

- a) Contingent liabilities (to the extent not provided for)
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) Other money for which the Company is contingently liable (No cash outflow is expected in the near future).
- Power banking arrangement - Rs. Nil (31 March, 2015 - Rs. 1,796,900)
- b) Commitments
- Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs Nil (31 March 2015 Rs 145,888,817)

Note 26: The year-end foreign currency exposures of the Company is Nil (31 March, 2015: Nil).



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TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27: Employee Benefits

(i) Defined contribution plan

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs. 1,577,338 (31 March, 2015: Rs. Nil) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plan by the Company is at rates specified in the rules of the schemes.

(ii) Defined benefits plan

a Description of gratuity plan

The Company offers the employee benefit schemes of Gratuity to its employees. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The following table sets out the unfunded status of the gratuity plan and amounts recognised in the financial statements as at 31 March, 2016:

Particulars	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.	
1 Expenses recognised in the Statement of Profit and Loss			
Current service cost	1,674,145	-	
Interest cost	271,232	-	
Actuarial loss/(gain)	1,292,004	-	
Net cost	3,237,381	-	
2 Change in defined benefit obligations (DBO) during the year			
Present value of DBO at beginning of the year	-	-	
Acquisition adjustment	5,832,893	-	
Interest cost	271,232	-	
Current service cost	1,674,145	-	
Benefits paid	-	-	
Actuarial loss/(gain)	1,292,004	-	
Present value of DBO at the end of the year	9,070,274	-	
3 Amount recognised in the Balance Sheet:			
Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.	
Present value of DBO	9,070,274	-	
Fair value of plan assets	-	-	
Net liability recognised in the balance sheet	9,070,274	-	
- Non current liability	15,529	-	
- Current liability	9,054,745	-	
Particulars	Refer Note below	Year ended 31.03.2016	Year ended 31.03.2015

4 Principal actuarial assumptions:

Discount rate (per annum)	i	8.00%	-
Expected rate of return on assets (per annum)	ii	N.A.	-
Salary escalation rate (per annum)	iii	8.00%	-

5 Demographic assumptions:

Retirement age	60 Years	-
Mortality rate	Standard Table	-
Withdrawal rate	IALM (2006-08) 5%	-

b Actuarial assumptions for long term compensated absences:

Particulars	Refer Note below	Year ended 31.03.2016	Year ended 31.03.2015
Discount rate (per annum)	i	8.00%	-
Expected rate of return on assets (per annum)	ii	N.A.	-
Salary escalation rate (per annum)	iii	8.00%	-

Notes:

- i. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of
- ii. The plan is unfunded.
- iii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- iv. During the previous year there were no employees on the payroll of the Company hence no provision was made for gratuity and compensated absences as at 31 March, 2015.



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TATA POWER TRADING COMPANY LIMITED
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- 28 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 29 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 Rs. Nil (31 March, 2015: Rs. Nil) and no interest has been paid or is payable during the period under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.
- 30 Total number of units traded during the year ended 31 March, 2016 - 17,305 MU's (31 March, 2015 - 10432 MU's) excluding under banking arrangement - 2 MU's (31 March, 2015 - 140 MU's).
- 31 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- 32 Disclosure as required by Accounting Standard 18 'Related Party Disclosures':

(a) Name of related parties and description of relationship:

Holding Company:

The Tata Power Company Limited (TPCL)

Fellow subsidiaries (where transactions have taken place during the year):

- (i) Tata Power Delhi Distribution Limited (TPDDL)
- (ii) Maithon Power Limited (MPL)
- (iii) Tata Power Solar Systems Ltd. (TPSS)
- (iv) Tata Power Renewal Energy Limited (TPREL)
- (v) Industrial Energy Limited (IEL)

Key Management Personnel

Sanjeev Mehra, Managing Director (on payroll of the Company w.e.f. 1 September, 2015)



Sanjeev Mehra

TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	TPCL	TPDDL	MPL	TPSS	TPREL	IEL	KMP	(All amounts in Rs.)	
								Total	Total
(b) Details of transactions during the year ended 31 March, 2016.									
Revenue from power supply	103,509,646 <i>2,834,353</i>	9,317,651,922 <i>10,370,150,886</i>							9,421,161,568 <i>10,372,985,239</i>
Cash discount allowed	2,070,193	172,944,505 <i>96,239,298</i>							175,014,698 <i>96,239,298</i>
Revenue from sale of REC certificate	2,639,684 <i>3,532,116</i>								2,639,684 <i>3,532,116</i>
Compensation earned	1,200,000								1,200,000
Cost of power purchased	1,874,700,438 <i>2,032,905,192</i>		16,613,718,159 <i>19,273,727,120</i>						18,488,418,597 <i>21,306,632,312</i>
Cash discount earned	33,309,915 <i>24,602,269</i>		353,563,341 <i>347,824,787</i>						386,873,256 <i>372,427,056</i>
Receiving of services	82,143,792 <i>111,117,394</i>								82,143,792 <i>111,117,394</i>
Interest expenditure	364,932								364,932
Purchase of fixed assets				76,757,018 <i>222,788,052</i>	4,041,450 <i>197,129,520</i>				80,798,468 <i>419,917,572</i>
Sale of fixed assets					20,287	2,664			22,951
Capital advance given				22,174,538					22,174,538
Dividend paid	80,000,000 <i>80,000,000</i>								80,000,000 <i>80,000,000</i>
Managerial remuneration							5,043,309		5,043,309
Inter Corporate Deposit taken and repaid									
	300,000,000								300,000,000
(c) Details of balances outstanding as at year end:									
Capital advances				22,174,538					22,174,538
Trade receivables		702,018,402 <i>2,630,672,843</i>							702,018,402 <i>2,630,672,843</i>
Other loans and advances	10,669,311								10,669,311
Unbilled revenue		19,580,604 <i>48,952,945</i>							19,580,604 <i>48,952,945</i>
Trade payables	208,878,782 <i>140,697,361</i>		1,751,030,701 <i>1,953,106,549</i>						1,959,909,483 <i>2,093,803,910</i>
Payable on purchase of fixed assets				47,352,050 <i>141,801,154</i>					47,352,050 <i>141,801,154</i>
Receivable on Sale of fixed assets					20,287	2,664			22,951

Notes:

1. The Tata Power Company Limited (TPCL) has given an undertaking to MPL (fellow subsidiary) to fulfill payment obligations of the Company in case of default in payment for power sold on behalf of MPL.

2. Figures in italics stated in serial no. (b) and (c) above pertains to year ended 31 March, 2015 and as at 31 March, 2015 respectively.



Signature

TATA POWER TRADING COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33 Expenditure in foreign currency :

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Repairs and maintenance - Others	-	2,017,907
Legal and professional charges	543,510	-

34 Earnings per share :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Profit for the period (Rs.) (A)	161,181,873	291,261,001
The weighted average number of equity shares (Nos.) (B)	16,000,000	16,000,000
The nominal value of equity shares (Rs.)	10	10
Basic / diluted earnings per share (Rs.) (A/B)	10.07	18.20

35 Segment reporting :

As the Company's business activity primarily consists of Power Trading and related consultancy activities, as such there are no separate reportable segments as per the requirements of Accounting Standard 17 'Segment Reporting'.

36 Previous year's amounts have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

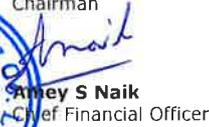


S. Ramakrishnan
Chairman



Sanjeev Mehra
Managing Director




Amey S Naik
Chief Financial Officer



T N Ramakrishnan
Company Secretary



New Delhi
13 May, 2016