

MAITHON POWER LIMITED

INDEPENDENT AUDITOR'S REPORT To The Members of MAITHON POWER LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **MAITHON POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS 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 32(b) to the Ind AS financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 37 to the Ind AS financial statements.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note 35 to the Ind AS 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)

Place: Mumbai
Date: 26 April, 2017

**"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, 2017 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 misstatement 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, 2017, 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)

Place: Mumbai
Date: 26 April, 2017

**"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 (property, plant and equipment):
- 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 as at 31.03.2017 (₹ lacs) | Remarks |
|--|----------------------------------|--|
| Freehold (private) land located at Maithon, Jharkhand admeasuring 565 acres. | 15,890.05 | 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. | 13,802.09 | 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. |



The Company does not have any immovable properties of leasehold land and buildings that have been taken on lease and disclosed as fixed asset in the Ind AS financial statements.

- 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 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. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- 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 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, 2017 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, 2017 on account of disputes. We are informed that the Company's operations do not give rise to Excise duty.



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- 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 dues to debenture holders. The Company has not taken any loans from government.
- 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 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 Ind AS 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, subsidiary or associate company, as applicable, 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-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)

Place: Mumbai
Date: 26 April, 2017

MAITHON POWER LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017

| Notes | ₹ Lacs | | | |
|--|---------------------|---------------------|--------------------|-------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 | |
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | 4 | 376,634.87 | 399,338.72 | 407,840.95 |
| (b) Capital work-in-progress | 4 | 21,231.15 | 19,250.83 | 22,257.13 |
| (c) Intangible assets | 5 | 4.82 | 11.94 | 22.95 |
| (d) Financial assets | | | | |
| (i) Loans | 6 | 17.63 | 12.91 | - |
| (ii) Other financial assets | 7 | 32.38 | 30.23 | 21.52 |
| (e) Non-current tax assets | 8 | 313.63 | 914.26 | 1,103.95 |
| (f) Deferred tax assets (net) | 18 | 63.70 | - | - |
| (g) Other non-current assets | 9 | 8,766.34 | 9,325.71 | 11,658.01 |
| Total non-current assets | | 407,064.52 | 428,884.60 | 442,904.51 |
| Current assets | | | | |
| (a) Inventories | 10 | 11,495.24 | 11,712.09 | 12,527.27 |
| (b) Financial assets | | | | |
| (i) Investments | 11 | 35,915.45 | - | - |
| (ii) Trade receivables | 12 | 28,446.93 | 56,291.94 | 44,716.85 |
| (iii) Cash and cash equivalents | 13 | 1.83 | 3,055.98 | 1,207.50 |
| (iv) Loans | 6 | 2.77 | 1.77 | 16.60 |
| (v) Other financial assets | 7 | 14,185.64 | 13,292.25 | 9,535.33 |
| (c) Other current assets | 9 | 2,959.57 | 1,367.94 | 3,371.48 |
| Total current assets | | 93,007.43 | 85,721.97 | 71,375.03 |
| Total assets | | 500,071.95 | 514,606.57 | 514,279.54 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 14 | 150,891.77 | 150,891.77 | 150,891.77 |
| (b) Other equity | 15 | 37,158.37 | 26,673.49 | 17,694.20 |
| Total equity | | 188,050.14 | 177,565.26 | 168,585.97 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 16 | 213,554.64 | 244,446.84 | 262,956.70 |
| (ii) Other financial liabilities | 17 | 505.74 | 485.23 | 411.11 |
| (b) Provisions | 19 | 436.73 | 327.63 | 272.82 |
| (c) Other non-current liabilities | 20 | 1,697.45 | 1,697.45 | 1,697.45 |
| Total non-current liabilities | | 216,194.56 | 246,957.15 | 265,338.08 |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 21 | 6,122.33 | 20,162.81 | 30,591.13 |
| (ii) Trade payables | 22 | | | |
| - total outstanding dues of micro enterprises and small enterprises | | 6.38 | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 12,172.52 | 14,864.23 | 7,351.59 |
| | | 12,178.90 | 14,864.23 | 7,351.59 |
| (iii) Other financial liabilities | 17 | 74,405.77 | 52,632.31 | 40,934.52 |
| (b) Provisions | 19 | 176.97 | 28.31 | 220.39 |
| (c) Current tax liabilities | 8 | - | 367.72 | 425.63 |
| (d) Other current liabilities | 20 | 2,943.28 | 2,028.78 | 832.23 |
| Total current liabilities | | 95,827.25 | 90,084.16 | 80,355.49 |
| Total liabilities | | 312,021.81 | 337,041.31 | 345,693.57 |
| Total equity and liabilities | | 500,071.95 | 514,606.57 | 514,279.54 |

See accompanying notes to the financial statements

1-43

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner
Place: Mumbai
Date: 26 April, 2017



For and on behalf of the Board of Directors

Ashok Sethi
Ashok Sethi
Chairman
Place: Mumbai
Date: 26/04/17

Sanjeev Kumar Sethi
Sanjeev Kumar Sethi
Director
Place: Kolkata
Date: 26/04/17

Santosh C R
Santosh C R
Company Secretary
Place: Mumbai
Date: 26/04/17

K. Chandrashekar
Kozipart Chandrashekar
Chief Executive Officer
and Executive Director
Place: Maithon
Date: 26/04/17

Pradip Roy
Pradip Roy
Chief Financial Officer
Place: Mumbai
Date: 26/04/17

MAITHON POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

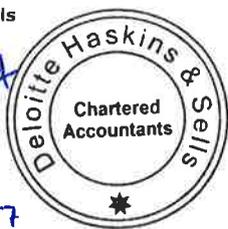
| | Notes | Year ended 31.03.2017 | Year ended 31.03.2016 |
|--|-------------|--------------------------|--------------------------|
| ₹ Lacs | | | |
| I Revenue from operations | 23 | 240,461.19 | 231,154.66 |
| II Other income | 24 | 1,840.88 | 150.48 |
| III Total income (I + II) | | 242,302.07 | 231,305.14 |
| IV Expenses | | | |
| (a) Cost of power purchase | | 40.23 | 48.82 |
| (b) Cost of fuel | | 135,217.98 | 126,757.95 |
| (c) Employee benefit expense | 25 | 4,014.30 | 3,550.38 |
| (d) Finance costs | 26 | 25,840.24 | 31,034.54 |
| (e) Depreciation and amortisation expense | 27 | 23,773.56 | 23,477.34 |
| (f) Other expenses | 28 | 20,959.96 | 22,089.51 |
| Total expenses (IV) | | 209,846.27 | 206,958.54 |
| V Profit before tax (III-IV) | | 32,455.80 | 24,346.60 |
| VI Tax expense | 29.1 | | |
| Current tax | | (2,791.69) | 5,371.26 |
| Deferred tax | | 9,666.85 | - |
| Total tax expense | | 6,875.16 | 5,371.26 |
| VII Profit for the year (V-VI) | | 25,580.64 | 18,975.34 |
| VIII Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit and loss | | | |
| - Remeasurements of the defined benefit plans | 33 | (8.36) | (9.57) |
| (ii) Income tax relating to items that will not be reclassified to profit and loss | 29.2 | 1.78 | 2.06 |
| Total other comprehensive income | | (6.58) | (7.51) |
| IX Total comprehensive income for the year (VII + VIII) | | 25,574.06 | 18,967.83 |
| Earnings per equity share (face value of ₹10 each) : | 41 | | |
| (1) Basic (in ₹) | | 1.70 | 1.26 |
| (2) Diluted (in ₹) | | 1.70 | 1.26 |
| See accompanying notes to the financial statements | 1-43 | | |

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Place: Mumbai
Date: 26 April, 2017



For and on behalf of the Board of Directors

Ashok Sethi
Chairman

Place: Mumbai
Date: 26/04/17

Sanjeet Kumar Sethi
Director

Place: Kolkata
Date: 26/04/17

Santosh C R
Company Secretary

Place: Mumbai
Date: 26/04/17

Kōzipart Chandrashekhar
Chief Executive Officer
and Executive Director

Place: Maithon
Date: 26/04/17

Pradip Roy
Chief Financial Officer

Place: Mumbai
Date: 26/04/17

MAITHON POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

| a. <u>Equity share capital</u> | ₹ Lacs | | |
|--|-------------------|------------------------------|-------------------|
| | Amount | | |
| Balance as at 1 April, 2015 | | | 150,891.77 |
| Changes in equity share capital during the year | | | - |
| Balance as at 31 March, 2016 | | | 150,891.77 |
| Changes in equity share capital during the year | | | - |
| Balance as at 31 March, 2017 | | | 150,891.77 |
| | | | |
| b. <u>Other equity</u> | ₹ Lacs | | |
| | Retained earnings | Debenture redemption reserve | Total |
| Balance as at 1 April, 2015 | 17,694.20 | - | 17,694.20 |
| Profit for the year | 18,975.34 | - | 18,975.34 |
| Other comprehensive income for the year, net of income tax | (7.51) | - | (7.51) |
| Interim dividend on equity shares (₹ 0.826 per share) | (8,299.05) | - | (8,299.05) |
| Tax on interim dividend | (1,689.49) | - | (1,689.49) |
| Transfer to debenture redemption reserve | (603.84) | 603.84 | - |
| Balance as at 31 March, 2016 | 26,069.65 | 603.84 | 26,673.49 |
| Profit for the year | 25,580.64 | - | 25,580.64 |
| Other comprehensive income for the year, net of income tax | (6.58) | - | (6.58) |
| Interim dividend on equity shares (₹ 0.55 per share) | (12,463.66) | - | (12,463.66) |
| Tax on interim dividend | (2,625.52) | - | (2,625.52) |
| Transfer to debenture redemption reserve | (2,032.03) | 2,032.03 | - |
| Balance as at 31 March, 2017 | 34,522.50 | 2,635.87 | 37,158.37 |

See accompanying notes to the financial statements

1-43

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner
Place: Mumbai
Date: 26 April, 2017



For and on behalf of the Board of Directors

Ashok Sethi

Ashok Sethi
Chairman

Place: Mumbai
Date: 26/04/17

K. Chandrashekar

Kozipart Chandrashekar
Chief Executive Officer
and Executive Director

Place: Maithon
Date: 26/04/17

Sanjay Kumar Sethi

Sanjay Kumar Sethi
Director

Place: Kolkata
Date: 26/04/17

Pradip Rdy

Pradip Rdy
Chief Financial Officer

Place: Mumbai
Date: 26/04/17

Santosh C R

Santosh C R
Company Secretary

Place: Mumbai
Date: 26/04/17

MAITHON POWER LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

| Notes | ₹ Lacs | |
|---|--------------------------|--------------------------|
| | Year ended 31.03.2017 | Year ended 31.03.2016 |
| Cash flows from operating activities | | |
| Profit for the year | 25,580.64 | 18,975.34 |
| Adjustments for : | | |
| Tax expense recognised in profit or loss | 6,875.16 | 5,371.26 |
| Finance costs recognised in profit or loss | 25,840.24 | 31,034.54 |
| Interest income recognised in profit or loss | (133.27) | (15.73) |
| (Gain)/loss on disposal of property, plant and equipment | 13.90 | (7.31) |
| Net gain/(loss) recognised in profit or loss on financial assets designated as at fair value through profit or loss (FVTPL) | (1,329.72) | (109.86) |
| Other current assets written off | - | 60.65 |
| Depreciation and amortisation expense | 23,773.56 | 23,477.34 |
| Amortisation of prepayment for leasehold land | 416.88 | 414.62 |
| Operating profit before working capital changes | 81,037.39 | 79,200.85 |
| Movements in working capital: | | |
| Adjustment for (increase)/decrease in operating assets: | | |
| Inventories | 216.85 | 815.18 |
| Trade receivables | 27,845.01 | (11,575.09) |
| Current financial assets - loans | (1.00) | 14.83 |
| Other current financial assets | (893.39) | (3,756.92) |
| Other current assets | (1,591.63) | 1,942.89 |
| Non-current financial assets - loans | (4.72) | (12.91) |
| Other non-current financial assets | (2.15) | (8.71) |
| Adjustment for increase/(decrease) in operating liabilities: | | |
| Trade payables | (2,685.33) | 7,512.64 |
| Other current financial liabilities | 11,500.03 | 10,708.19 |
| Current provisions | 140.30 | (201.65) |
| Other current liabilities | (1,711.02) | (492.94) |
| Non-current provisions | 109.10 | 54.81 |
| Other non-current liabilities | - | - |
| Cash generated from operations | 113,959.44 | 84,201.17 |
| Income tax paid | (6,704.17) | (5,237.42) |
| Net cash generated by operating activities (a) | 107,255.27 | 78,963.75 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (2,565.77) | (10,946.65) |
| Proceeds from disposal of property, plant and equipment | 10.99 | 35.94 |
| Payments to acquire current investments | (284,418.92) | (98,610.43) |
| Proceeds on sale of current investments | 249,833.20 | 98,720.29 |
| Interest received | 133.27 | 15.73 |
| Net cash used in investing activities (b) | (37,007.23) | (10,785.12) |
| Cash flows from financing activities | | |
| Proceeds from long term borrowings | 49,847.49 | 49,805.40 |
| Repayment of long term borrowings | (82,957.53) | (66,389.79) |
| Repayment of current financial liabilities borrowings | (14,040.48) | (10,428.32) |
| Interest paid | (26,151.67) | (31,018.39) |
| Interim dividend paid | - | (8,299.05) |
| Net cash used in financing activities (c) | (73,302.19) | (66,330.15) |
| Net decrease in cash and cash equivalents (a+b+c) | (3,054.15) | 1,848.48 |
| Cash and cash equivalents at the beginning of the year | 13 3,055.98 | 1,207.50 |
| Cash and cash equivalents at the end of the year | 13 1.83 | 3,055.98 |

See accompanying notes to the financial statements

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In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Alka Chadha

Alka Chadha
Partner

Place: Mumbai
Date: 26 April, 2017



Ashok Sethi

Ashok Sethi
Chairman

Place: Mumbai
Date: 26/04/17

Sanjeev Kumar Seth

Sanjeev Kumar Seth
Director

Place: Kolkata
Date: 26/04/17

Santosh C R

Santosh C R
Company Secretary

Place: Mumbai
Date: 26/04/17

Kozipart Chandrashekar

Kozipart Chandrashekar
Chief Executive Officer
and Executive Director

Place: Malton
Date: 26/04/17

Pradip Roy

Pradip Roy
Chief Financial Officer

Place: Mumbai
Date: 26/04/17

MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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. The registered office of the Company is Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai 400009, Maharashtra, India.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer Note 2.22 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provision for employee benefits.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.9.2. Also see note 18 and 29.

Provision for employee benefits

The policy for the employee benefits have been explained under note 2.8. Also see note 19 and 33.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for volume rebates and other similar allowances.

2.4.1 Sale of power

Revenue from power supply is accounted for on the basis of billing to customers and includes unbilled revenues accrued upto the end of the period 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



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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.

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

2.4.2 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4.3 Dividend and interest income

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

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

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



2.5.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.7 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Foreign currencies

The functional currency of the Company is Indian rupee (₹).

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

2.7 Borrowing costs

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



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each semi-annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

2.8.2 Short-term and other long-term employee benefits

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



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

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

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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

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

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on property, plant and equipment 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 property, plant and equipment 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.

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



2.11 Intangible assets

2.11.1 Intangible assets acquired separately

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

2.11.2 Derecognition of intangible assets

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

2.11.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| | |
|--------------------|---------|
| Licences: | 5 years |
| Computer software: | 5 years |

2.12 Impairment of tangible and intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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



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

2.13 Inventories

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

2.14 Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14.1 Onerous contracts

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

2.15 Financial instruments

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

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



2.16 Financial assets

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

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

2.16.1 Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.2 Financial assets at fair value through other comprehensive income

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

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

2.16.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.16.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.16.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.17 Financial liabilities and equity instruments

2.17.1 Classification as debt or equity

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

2.17.2 Equity instruments

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

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

2.17.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

2.17.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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



2.17.3.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.17.3.3 Derecognition of financial liabilities

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

2.18 Cash and cash equivalents

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

2.19 Cash Flow Statement

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

2.20 Earnings per equity share

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



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

2.21 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.

2.22 First-time adoption - mandatory exceptions, optional exemptions

2.22.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.22.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

2.22.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.22.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.22.5 Cost or deemed Cost for property, plant and equipment and intangible assets

The Company has elected to restate retrospectively all its property, plant and equipment (other than land) and intangible assets as per the Ind AS 16. In respect of land, the Company has elected to apply fair value of the item as at the transition date as deemed cost.



2.22.6 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact of the financial statements.



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4 Property, plant and equipment and capital work-in progress

| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|---|---------------------|---------------------|--------------------|
| Property, plant and equipment [see note 4(e)] | | | |
| Carrying amounts of: | | | |
| Freehold land [see note 4(a), 4(c) and 4(d)] | 29,692.14 | 29,692.14 | 29,622.16 |
| Buildings - plant | 20,642.98 | 21,454.81 | 20,873.08 |
| Buildings - others | 15,786.73 | 16,118.92 | 11,303.50 |
| Plant and equipment - computers | 55.81 | 77.54 | 125.42 |
| Plant and equipment - others | 309,508.44 | 330,764.01 | 344,321.84 |
| Vehicles | 82.55 | 94.63 | 144.18 |
| Furniture and fixtures | 729.45 | 881.22 | 1,026.49 |
| Office equipment | 136.77 | 255.45 | 424.28 |
| | 376,634.87 | 399,338.72 | 407,840.95 |

Capital work-in-progress

| | Freehold land | Buildings - plant | Buildings - others | Plant and equipment - computers | Plant and equipment - others | Vehicles | Furniture and fixtures | Office equipment | Total |
|-------------------------------------|------------------|----------------------|-----------------------|---------------------------------------|------------------------------------|---------------|---------------------------|---------------------|-------------------|
| Cost or deemed cost | | | | | | | | | |
| Balance as at 1 April, 2015 | 29,622.16 | 22,953.18 | 11,878.54 | 228.32 | 413,124.72 | 289.59 | 1,332.16 | 645.80 | 480,074.47 |
| Additions | 69.98 | 1,353.05 | 5,256.63 | 7.02 | 8,111.27 | 61.52 | 54.69 | 78.57 | 14,992.73 |
| Disposals | - | - | - | (32.51) | - | (90.81) | - | (7.82) | (131.14) |
| Balance as at 31 March, 2016 | 29,692.14 | 24,306.23 | 17,135.17 | 202.83 | 421,235.99 | 260.30 | 1,386.85 | 716.55 | 494,936.06 |
| Additions | - | - | 236.73 | 27.99 | 788.18 | 30.55 | 2.10 | 1.93 | 1,087.48 |
| Disposals | - | - | - | (28.42) | (17.88) | (13.75) | (8.34) | (1.22) | (69.61) |
| Balance as at 31 March, 2017 | 29,692.14 | 24,306.23 | 17,371.90 | 202.40 | 422,006.29 | 277.10 | 1,380.61 | 717.26 | 495,953.93 |

Accumulated depreciation

| | | | | | | | | | |
|-------------------------------------|----------|-----------------|-----------------|---------------|-------------------|---------------|---------------|---------------|-------------------|
| Balance as at 1 April, 2015 | - | 2,080.10 | 575.04 | 102.90 | 68,802.88 | 145.41 | 305.67 | 221.52 | 72,233.52 |
| Elimination on disposals of assets | - | - | - | (24.68) | - | (71.03) | - | (6.80) | (102.51) |
| Depreciation expense | - | 771.32 | 441.21 | 47.07 | 21,669.10 | 91.29 | 199.96 | 246.38 | 23,466.33 |
| Balance as at 31 March, 2016 | - | 2,851.42 | 1,016.25 | 125.29 | 90,471.98 | 165.67 | 505.63 | 461.10 | 95,597.34 |
| Elimination on disposals of assets | - | - | - | (21.93) | (4.48) | (9.46) | (7.66) | (1.19) | (44.72) |
| Depreciation expense | - | 811.83 | 568.92 | 43.23 | 22,030.35 | 38.34 | 153.19 | 120.58 | 23,766.44 |
| Balance as at 31 March, 2017 | - | 3,663.25 | 1,585.17 | 146.59 | 112,497.85 | 194.55 | 651.16 | 580.49 | 119,319.06 |

Carrying amount

| | | | | | | | | | |
|-------------------------------------|------------------|------------------|------------------|--------------|-------------------|--------------|---------------|---------------|-------------------|
| Balance as at 1 April, 2015 | 29,622.16 | 20,873.08 | 11,303.50 | 125.42 | 344,321.84 | 144.18 | 1,026.49 | 424.28 | 407,840.95 |
| Additions | 69.98 | 1,353.05 | 5,256.63 | 7.02 | 8,111.27 | 61.52 | 54.69 | 78.57 | 14,992.73 |
| Disposals | - | - | - | (7.83) | - | (19.78) | - | (1.02) | (28.63) |
| Depreciation expense | - | 771.32 | 441.21 | 47.07 | 21,669.10 | 91.29 | 199.96 | 246.38 | 23,466.33 |
| Balance as at 31 March, 2016 | 29,692.14 | 21,454.81 | 16,118.92 | 77.54 | 330,764.01 | 94.63 | 881.22 | 255.45 | 399,338.72 |
| Additions | - | - | 236.73 | 27.99 | 788.18 | 30.55 | 2.10 | 1.93 | 1,087.48 |
| Disposals | - | - | - | (6.49) | (13.40) | (4.29) | (0.68) | (0.03) | (24.89) |
| Depreciation expense | - | 811.83 | 568.92 | 43.23 | 22,030.35 | 38.34 | 153.19 | 120.58 | 23,766.44 |
| Balance as at 31 March, 2017 | 29,692.14 | 20,642.98 | 15,786.73 | 55.81 | 309,508.44 | 82.55 | 729.45 | 136.77 | 376,634.87 |



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Note:

- 4(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 Damodar Valley Corporation (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.

- 4(b) 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. The expenditure in connection with these lands has been included under note 9 other assets as prepayment for leasehold land.

- 4(c) 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 private land including land compensation and rehabilitation and resettlement expenses has been capitalised as freehold land and expenditure in connection with GM land has been included under note 9 other assets as prepayment for leasehold land.

- 4(d) The Company has elected to fair value its freehold land and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, the freehold land is carried at fair value of ₹ 29,622.16 lacs and carrying amount reported under previous GAAP was ₹ 17,270.95 lacs. Difference between the fair value and carrying amount reported under previous GAAP of ₹ 12,351.21 lacs has been credited to retained earnings as at 1 April, 2015 (transition date).

- 4(e) Freehold land with a carrying amount of ₹ 15,890.05 lacs (as at 31 March, 2016 - ₹ 15,890.05 lacs and as at 1 April, 2015 - ₹ 15,890.05 lacs) has been pledged to secure borrowings of the Company (see note 16).

Property, plant and equipment (other than freehold land) with a carrying amount of ₹ 346,942.73 lacs (as at 31 March, 2016 - ₹ 369,646.58 lacs and as at 1 April, 2015 - ₹ 378,218.79 lacs) have also been pledged to secure borrowings of the Company (see note 16).



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NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets

| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|-------------------------------------|------------------------------|-----------------------------|----------------------------|
| | ₹ Lacs | | |
| Carrying amounts of : | | | |
| Computer software | 4.82 | 8.54 | 13.44 |
| Licenses | - | 3.40 | 9.51 |
| Total | 4.82 | 11.94 | 22.95 |
| | Computer software | Licenses | Total |
| Cost | | | |
| Balance as at 1 April, 2015 | 19.59 | 30.53 | 50.12 |
| Additions | - | - | - |
| Balance as at 31 March, 2016 | 19.59 | 30.53 | 50.12 |
| Additions | - | - | - |
| Balance as at 31 March, 2017 | 19.59 | 30.53 | 50.12 |
| Accumulated amortisation | | | |
| Balance as at 1 April, 2015 | 6.15 | 21.02 | 27.17 |
| Amortisation expense | 4.90 | 6.11 | 11.01 |
| Balance as at 31 March, 2016 | 11.05 | 27.13 | 38.18 |
| Amortisation expense | 3.72 | 3.40 | 7.12 |
| Balance as at 31 March, 2017 | 14.77 | 30.53 | 45.30 |
| Carrying amount | | | |
| Balance as at 1 April, 2015 | 13.44 | 9.51 | 22.95 |
| Additions | - | - | - |
| Amortisation expense | 4.90 | 6.11 | 11.01 |
| Balance as at 31 March, 2016 | 8.54 | 3.40 | 11.94 |
| Additions | - | - | - |
| Amortisation expense | 3.72 | 3.40 | 7.12 |
| Balance as at 31 March, 2017 | 4.82 | - | 4.82 |



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|---|---------------------|---------------------|--------------------|
| ₹ Lacs | | | |
| 6. Loans | | | |
| Non-current | | | |
| i. Loans to officers | | | |
| Secured, considered good | 17.63 | 12.91 | - |
| | 17.63 | 12.91 | - |
| Current | | | |
| i. Loans to officers | | | |
| Secured, considered good | 2.77 | 1.77 | 16.60 |
| | 2.77 | 1.77 | 16.60 |
| 7. Other financial assets | | | |
| Non-current | | | |
| i. Security deposits | | | |
| -to related parties | 20.00 | 20.00 | 20.00 |
| -to others | 12.28 | 10.23 | 1.52 |
| ii. Balances with banks | 0.10 | - | - |
| - In deposit accounts with more than 12 month maturity* | | | |
| * Under lien with district mining authority, Jharkhand | | | |
| | 32.38 | 30.23 | 21.52 |
| Current | | | |
| i. Security deposit-others | - | - | 20.44 |
| ii. Unbilled revenue | 3,337.11 | 6,243.10 | 4,501.92 |
| iii. Tariff recoverable account | 10,848.53 | 7,049.15 | 3,642.55 |
| iv. Insurance claims receivable | - | - | 1,275.62 |
| v. Others | - | - | 94.80 |
| | 14,185.64 | 13,292.25 | 9,535.33 |



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2017 | As at 31.03.2016 | ₹ Lacs As at 1.04.2015 |
|--|-----------------------------|-----------------------------|---------------------------------------|
| 8. Tax assets and liabilities | | | |
| Non-current tax assets | | | |
| Tax refund receivable | 313.63 | 914.26 | 1,103.95 |
| | 313.63 | 914.26 | 1,103.95 |
| Current tax liabilities | | | |
| Income-tax payable | - | 367.72 | 425.63 |
| | - | 367.72 | 425.63 |
| 9. Other assets | | | |
| Non-current | | | |
| i. Capital advances | 2,780.44 | 2,922.93 | 4,840.61 |
| ii. Prepayment for leasehold land [see note 4(b) and 4(c)] | 5,985.90 | 6,402.78 | 6,817.40 |
| | 8,766.34 | 9,325.71 | 11,658.01 |
| Current | | | |
| i. Advance to suppliers | 1,844.12 | 397.89 | 2,525.56 |
| ii. Advance to employees | - | 3.30 | - |
| iii. Balances with government authorities | 100.00 | 310.00 | 0.01 |
| iv. Prepaid expenses | 434.79 | 238.49 | 429.03 |
| v. Prepayment for leasehold land [see note 4(b) and 4(c)] | 416.88 | 416.88 | 416.88 |
| vi. Others | 163.78 | 1.38 | - |
| | 2,959.57 | 1,367.94 | 3,371.48 |
| 10. Inventories | | | |
| Inventories (lower of cost and net realisable value) | | | |
| i. Raw materials | | | |
| - Fuel | 8,877.53 | 8,517.70 | 10,046.22 |
| - Goods-in-transit | - | 658.59 | 19.48 |
| | 8,877.53 | 9,176.29 | 10,065.70 |
| ii. Stores and spares | 2,616.78 | 2,535.41 | 2,461.35 |
| iii. Loose tools | 0.93 | 0.39 | 0.22 |
| | 11,495.24 | 11,712.09 | 12,527.27 |

Note:

- a. The cost of inventories recognised as an expense during the year was ₹ 137,281.17 lacs (previous year ₹ 129,197.11 lacs).
- b. Mode of valuation has been stated in note 2.13.



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| | <u>As at</u> <u>31.03.2017</u> | <u>As at</u> <u>31.03.2016</u> | <u>₹ Lacs</u> <u>As at</u> <u>1.04.2015</u> |
|---|-----------------------------------|-----------------------------------|---|
| 11. Investments | | | |
| Current | | | |
| Financial assets carried at fair value through profit or loss (FVTPL) | | | |
| Unquoted investments (all fully paid) | | | |
| i. JM High Liquidity Fund - direct growth option 11,235,753.07 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 5,001.47 | - | - |
| ii. SBI Premier Liquid Fund - direct growth plan 489,115.93 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 12,483.79 | - | - |
| iii. DSP BlackRock Liquidity Fund - direct growth plan 86,014.98 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 2,000.52 | - | - |
| iv. Invesco India Liquid Fund - direct plan growth 178,722.86 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 4,001.03 | - | - |
| v. Tata Floater-direct plan growth 183,598.12 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 4,556.07 | - | - |
| vi. Axis Liquid Fund-direct growth 138,678.59 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 2,500.69 | - | - |
| vii. Axis Treasury Advantage Fund-direct growth 128,437.44 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 2,371.09 | - | - |
| viii. Tata Money Market-direct plan growth 117,079.31 units (31 March, 2016: Nil, 1 April, 2015: Nil) | 3,000.79 | - | - |
| | 35,915.45 | - | - |
| Aggregate carrying value of unquoted investments | 35,915.45 | - | - |

12. Trade receivables

Current

| | | | |
|--------------------------------|------------------|------------------|------------------|
| i. Secured, considered good | 8,387.67 | 12,025.37 | 11,278.50 |
| ii. Unsecured, considered good | 20,059.26 | 44,266.57 | 33,438.35 |
| | 28,446.93 | 56,291.94 | 44,716.85 |

The average credit period on sale of power is 60 days. Thereafter, interest is charged at 1.25% to 1.50% per month on the outstanding balance.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. Based on historical credit loss experience for the Company and considering forward looking information, there is no expected credit loss allowance on trade receivables.

| | <u>As at</u> <u>31.03.2017</u> | <u>As at</u> <u>31.03.2016</u> | <u>₹ Lacs</u> <u>As at</u> <u>1.04.2015</u> |
|----------------------------|-----------------------------------|-----------------------------------|---|
| Age of receivables | | | |
| Within the credit period | 3,165.56 | 21,985.32 | 42,860.00 |
| 1-30 days past due | 98.90 | 5,634.56 | 101.00 |
| 31-60 days past due | 204.02 | 2,982.27 | 75.00 |
| 61-90 days past due | 91.73 | 1,975.99 | - |
| More than 90 days past due | 24,886.72 | 23,713.80 | 1,680.85 |
| | 28,446.93 | 56,291.94 | 44,716.85 |

13. Cash and cash equivalents

| | | | |
|---|-------------|-----------------|-----------------|
| i. Balances with banks | | | |
| - In current account | 1.77 | 3,055.83 | 1,207.25 |
| ii. Cash on hand | 0.06 | 0.15 | 0.25 |
| Cash and cash equivalents as per balance sheet | 1.83 | 3,055.98 | 1,207.50 |
| Cash and cash equivalents as per Statement of cash flows | 1.83 | 3,055.98 | 1,207.50 |



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | ₹ Lacs | | |
|--|---------------------|---------------------|--------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
| 14. Equity share capital | | | |
| Equity share capital | 150,891.77 | 150,891.77 | 150,891.77 |
| | 150,891.77 | 150,891.77 | 150,891.77 |
| Authorised share capital | | | |
| 2,000,000,000 fully paid equity shares of ₹ 10 each | 200,000.00 | 200,000.00 | 200,000.00 |
| Issued and subscribed capital | | | |
| 1,508,917,729 fully paid equity shares of ₹ 10 each (as at 31 March, 2016; 1,508,917,729; as at 1 April, 2015: 1,508,917,729) | 150,891.77 | 150,891.77 | 150,891.77 |
| | 150,891.77 | 150,891.77 | 150,891.77 |

14.1 Fully paid equity shares

| | Numbers | ₹ Lacs |
|-------------------------------------|----------------------|-------------------|
| Balance as at 1 April, 2015 | 1,508,917,729 | 150,891.77 |
| Issued during the year | - | - |
| Balance as at 31 March, 2016 | 1,508,917,729 | 150,891.77 |
| Issued during the period | - | - |
| Balance as at 31 March, 2017 | 1,508,917,729 | 150,891.77 |

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.

14.2 Details of share held by the holding company

| | As at 31.03.2017 Numbers | As at 31.03.2016 Numbers | As at 1.04.2015 Numbers |
|--|--------------------------------|--------------------------------|-------------------------------|
| Fully paid equity shares | | | |
| The Tata Power Company Limited (the holding Company) | 1,116,599,120 | 1,116,599,120 | 1,116,599,120 |

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

| | As at 31.03.2017 | | As at 31.03.2016 | | As at 1.04.2015 | |
|--|---------------------|-----------|---------------------|-----------|--------------------|-----------|
| | Numbers | % holding | Numbers | % holding | Numbers | % holding |
| Fully paid equity shares | | | | | | |
| The Tata Power Company Limited (the holding Company) | 1,116,599,120 | 74% | 1,116,599,120 | 74% | 1,116,599,120 | 74% |
| Damodar Valley Corporation | 392,318,609 | 26% | 392,318,609 | 26% | 392,318,609 | 26% |



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NOTES TO THE FINANCIAL STATEMENTS

| | <u>As at</u> <u>31.03.2017</u> | <u>As at</u> <u>31.03.2016</u> | <u>₹ Lacs</u> <u>As at</u> <u>1.04.2015</u> |
|------------------------------|-----------------------------------|-----------------------------------|---|
| 15. Other equity | | | |
| Retained earnings | 34,522.50 | 26,069.65 | 17,694.20 |
| Debenture redemption reserve | 2,635.87 | 603.84 | - |
| | 37,158.37 | 26,673.49 | 17,694.20 |

15.1 Retained earnings

| | <u>₹ Lacs</u> | |
|---|--|--|
| | <u>Year ended</u> <u>31.03.2017</u> | <u>Year ended</u> <u>31.03.2016</u> |
| Balance at the beginning of the year | 26,069.65 | 17,694.20 |
| Profit for the year | 25,580.64 | 18,975.34 |
| Other comprehensive income for the year, net of income tax | (6.58) | (7.51) |
| Interim dividend on equity shares [₹ 0.826 per share (previous year: ₹ 0.55 per share)] | (12,463.66) | (8,299.05) |
| Tax on interim dividend | (2,625.52) | (1,689.49) |
| Transfer to debenture redemption reserve | (2,032.03) | (603.84) |
| Balance at the end of the year | 34,522.50 | 26,069.65 |

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

15.2 Debenture redemption reserve

| | <u>₹ Lacs</u> | |
|---------------------------------------|--|--|
| | <u>Year ended</u> <u>31.03.2017</u> | <u>Year ended</u> <u>31.03.2016</u> |
| Balance at the beginning of the year | 603.84 | - |
| Transferred from retained earnings | 2,032.03 | 603.84 |
| Balance at the end of the year | 2,635.87 | 603.84 |

As per Section 71(4) of the Companies Act, 2013, a Company shall create a debenture redemption reserve for the redemption of debentures to which adequate amount shall be credited out of its profits every year until such debentures are redeemed. Accordingly, an amount of ₹ 2,032.03 lacs has been transferred to the Debenture Redemption Reserve from surplus in Statement of Profit and Loss during the year.



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | ₹ Lacs | | |
|--|---------------------|---------------------|--------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
| 16. Borrowings (Non-current) | | | |
| Unsecured - at amortised cost | | | |
| i. Loans from related parties (see note III below and note 40) | - | 12,350.00 | 12,350.00 |
| Secured - at amortised cost | | | |
| i. Debentures (see note I below) | 99,652.89 | 49,805.40 | - |
| ii. Term loans (see note II below) | | | |
| - from banks | 106,863.15 | 177,273.77 | 243,739.43 |
| - from financial institutions | 7,038.60 | 5,017.67 | 6,867.27 |
| | 213,554.64 | 244,446.84 | 262,956.70 |

I. Redeemable non-convertible debentures

(i) Debenture of Rs. 500 crores issued on 30 November, 2015

(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 the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company;
- c. First ranking *pari passu* mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security; and
- d. First ranking *pari passu* mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this 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 Limited plus 15 basis points. Interest is payable on the November of each year.

(c) Redemption terms

The debentures which were issued on 30 November, 2015 have the following redemption schedule:

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

(ii) Debenture of Rs. 500 crores issued on 9 February, 2017

(a) Security

The Company has issued ₹ 50,000.00 lacs each of secured, non-cumulative and non-convertible redeemable debentures of face value ₹5 lacs each 9 February, 2017 at par respectively. 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* mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company.



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- b. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- c. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- d. A first pari-passu charge on all movable properties and assets including, but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the Issuer related to the Project, both present and future
- e. First pari-passu charge on all the bank accounts of the Project and each of the other accounts required to be created by the Issuer under any project document or contract
- f. First pari-passu charge over all current assets of the Issuer in relation to the Project including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the Issuer pertaining to the Project, both present and future
- g. A first pari-passu charge on all intangible assets of the Project including but not limited to the goodwill and undertaking of the Project
- h. Assignment by way of security over letters of credit, performance bonds or guarantees provided by any person for any contract in relation to the Project in favour of the Issuer
- i. Assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in each of the Project Documents.
- j. Assignment by way of security of all insurance contracts/proceeds under insurance contracts in relation to the Project.

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

The Issuer 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 favour of its working capital lenders over and above Rs. 1,000 crores. The Issue shall at all times maintain a FACR of 1.15 times.

(b) Interest

The debentures carry a fixed rate of interest. Interest is payable on the February of each year.

(c) Redemption terms

The debentures which were issued on 30 November, 2015 have the following redemption schedule:

| Redemption | Date | Principal amount payable (₹ Lacs) |
|-------------------|------------------|--------------------------------------|
| First redemption | 9 February, 2023 | 10,000.00 |
| Second redemption | 9 February, 2024 | 10,000.00 |
| Third redemption | 7 February, 2025 | 10,000.00 |
| Fourth redemption | 9 February, 2026 | 10,000.00 |
| Final redemption | 9 February, 2027 | 10,000.00 |

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.

On 6 February, 2017 the Company entered into a 'Deed of accession' whereby the loan taken from HDFC Bank is taken over by Aditya Birla Finance Limited.

The Company had drawn an amount of ₹ 293,920.00 lacs (31 March, 2016 ₹ 293,920.00 lacs; 1 April, 2015: ₹ 293,920.00 lacs) and repaid ₹ 160,868.74 lacs upto 31 March, 2017 (31 March, 2016 ₹ 90,068.97 lacs; 1 April, 2015 ₹ 23,517.46 lacs) in respect of 'Term loan I'. Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS amounts to ₹ 655.76 lacs as at 31 March, 2017 (31 March 2016: ₹ 848.00 lacs; 1 April, 2015: ₹ 1,009.72 lacs). Balance outstanding as at 31 March, 2017 is ₹ 132,395.50 lacs (31 March, 2016 ₹ 203,003.03 lacs; 1 April, 2015 ₹ 269,392.82 lacs) of which ₹ 18,493.75 (31 March, 2016 ₹ 20,711.59 lacs; 1 April, 2015 ₹ 18,786.12) pertains to current maturities of long term borrowings (see note 17).



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NOTES TO THE FINANCIAL STATEMENTS

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

- i. First ranking pari passu mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company.
- ii. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- iii. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.
- iv. 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;
- v. 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;
- vi. 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;
- vii. A first charge on all intangibles of the borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- viii. An assignment by way of security:
 - a. Of the right, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under the Project Documents and other contracts pertaining to the Project, both present and future, including but not limited to off-take agreements, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - b. Of the right, title and interest benefits, claims and demands whatsoever of the borrower in, to and under all the approvals and insurance contract, both present and future; and
 - c. Of the right, title and interest, claims and demands whatsoever of the borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond and any other security provided by any counter party to the project documents.

(b) Interest

Interest rate shall be calculated at a sum of the 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, 2017 is as under:

| Period | Number of installments | Amount of installments (₹ Lacs) | Total Amount (₹ Lacs) |
|---------------------------------|-----------------------------|------------------------------------|--------------------------|
| 1 July, 2017 to 1 October, 2020 | 14 (quarterly installments) | 4,646.34 | 65,048.78 |
| 1 January, 2021 | 1 | 44,764.20 | 44,764.20 |
| 1 April, 2021 | 1 | 2,393.06 | 2,393.06 |
| 1 July, 2021 | 1 | 20,845.22 | 20,845.22 |
| | | | 133,051.26 |
| | | | 655.76 |
| | | | 132,395.50 |

Less- Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS

Balance outstanding as at 31 March, 2017

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, 2016: 95 basis points; 1 April, 2015: 95 basis points).

(b) Repayment terms

The outstanding 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 loan is repaid by the Company during the year.

IV. The Company has not defaulted on repayment of loan and interest payment thereon during the current and previous year.



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NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2017 | As at 31.03.2016 | ₹ Lacs As at 1.04.2015 |
|---|---------------------|---------------------|------------------------------|
| 17. Other financial liabilities | | | |
| Non-current | | | |
| i. Retention money against capital expenditure | 505.74 | 485.23 | 411.11 |
| | 505.74 | 485.23 | 411.11 |
| Current | | | |
| i. Current maturities of long term debt (see note 16) | 18,493.75 | 20,711.59 | 18,786.12 |
| ii. Interest accrued but not due on debentures | 2,125.57 | 1,589.82 | - |
| iii. Interest accrued but not due on other borrowings | - | 847.18 | 2,420.85 |
| iv. Payables for purchase of property, plant and equipment and capital work-in-progress | 759.41 | 420.37 | 1,372.39 |
| v. Retention money | 1,825.07 | 461.44 | 402.06 |
| vi. Tariff adjustable account | 38,733.01 | 28,600.01 | 17,945.15 |
| vii. Interim dividend payable | 12,463.66 | - | - |
| viii. Others | 5.30 | 1.90 | 7.95 |
| | 74,405.77 | 52,632.31 | 40,934.52 |

18. Deferred tax assets (net)

| | | | |
|--------------------------------|--------------|----------|----------|
| Deferred tax liabilities (net) | (9,666.85) | - | - |
| MAT credit entitlement | 9,730.55 | - | - |
| | 63.70 | - | - |

| Particulars | Opening Balance | Recognised in profit or loss | Recognised in Other Comprehensive income | Closing balance |
|--|--------------------|------------------------------------|---|--------------------|
| MAT credit entitlement | - | 9,730.55 | - | 9,730.55 |
| Deferred tax assets / (liabilities) in relation to: | | | | |
| Property, plant and equipment | - | (41,984.61) | - | (41,984.61) |
| Provision for compensated absences | - | 119.82 | - | 119.82 |
| Unabsorbed depreciation | - | 32,197.94 | - | 32,197.94 |
| | - | (9,666.85) | - | (9,666.85) |

Note:

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company is entitled for availing the tax benefit under section 80IA of the Income-tax Act, 1961, with effect from the financial year 2016-17 for 10 years. Deferred tax liabilities as at 31 March, 2017, reflect the quantum of tax liabilities accrued upto the period end but payable after the expiry of the tax holiday period.
- Pursuant to amendment in section 115JAA of Income-tax Act, 1961, MAT credit can be utilised upto the 15th assessment year as against the 10th assessment year earlier. Accordingly, the Company has recognised MAT credit aggregating to ₹ 9,730.55 lacs as at the year-end, to the extent that there will be sufficient future taxable income against which such MAT credit entitlement can be adjusted.

| | As at 31.03.2017 | As at 31.03.2016 | ₹ Lacs As at 1.04.2015 |
|--|---------------------|---------------------|------------------------------|
| 19. Provisions | | | |
| Non-current | | | |
| Employee benefits | | | |
| i. Provision for compensated absences | 436.73 | 327.63 | 272.82 |
| | 436.73 | 327.63 | 272.82 |
| Current | | | |
| Employee benefits | | | |
| i. Provision for compensated absences | 21.22 | 21.02 | 25.32 |
| ii. Provision for gratuity (net) (Refer note 33) | 155.75 | 7.29 | 195.07 |
| | 176.97 | 28.31 | 220.39 |



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2017 | As at 31.03.2016 | ₹ Lacs As at 1.04.2015 |
|------------------------------|---------------------|---------------------|------------------------------|
| 20. Other liabilities | | | |
| Non-current | | | |
| i. Other liabilities | 1,697.45 | 1,697.45 | 1,697.45 |
| | 1,697.45 | 1,697.45 | 1,697.45 |
| Current | | | |
| i. Statutory liabilities | 2,875.99 | 2,028.78 | 810.77 |
| ii. Advance from customers | 67.29 | - | 21.46 |
| | 2,943.28 | 2,028.78 | 832.23 |

21. Borrowings (Current)

Unsecured - at amortised cost

| | | | |
|--|---|----------|----------|
| i. Commercial paper [Maximum amount outstanding during the year is ₹ 10,000.00 lacs (31 March, 2016: ₹ 15,000.00 lacs and 1 April, 2015: ₹ 7,446.81 lacs)] | - | 9,810.74 | 7,446.81 |
| ii. Working capital loan repayable on demand | - | 8,000.00 | - |

Secured - at amortised cost

| | | | |
|--|-----------------|------------------|------------------|
| i. Loans from banks - cash credit (see note below) | 6,122.33 | 2,352.07 | 23,144.32 |
| | 6,122.33 | 20,162.81 | 30,591.13 |

Note :

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.

22. Trade payables

| | As at 31.03.2017 | As at 31.03.2016 | ₹ Lacs As at 1.04.2015 |
|--|---------------------|---------------------|------------------------------|
| Trade payables | | | |
| i. total outstanding dues of micro enterprises and small enterprises | 6.38 | - | - |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | 12,172.52 | 14,864.23 | 7,351.59 |
| | 12,178.90 | 14,864.23 | 7,351.59 |

Note:

- i. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| | | | |
|--|------|---|---|
| (a) (i) the principal amount remaining unpaid to any supplier | 6.38 | - | - |
| (ii) interest due thereon | - | - | - |
| (b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day | - | - | - |
| (c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - | - |
| (d) interest accrued and remaining unpaid | - | - | - |
| (e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - | - |

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

- ii. The average credit period is upto 30 days for the Company.



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NOTES TO THE FINANCIAL STATEMENTS

| | ₹ Lacs | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2017 | Year ended 31.03.2016 |
| 23. Revenue from operations | | |
| i. Revenue from power supply | 252,157.72 | 242,144.40 |
| Less: Cash discount | 5,368.30 | 3,769.06 |
| | 246,789.42 | 238,375.34 |
| Less: Income to be adjusted in future tariff determination (net) | 6,333.63 | 7,248.27 |
| ii. Other operating revenue | | |
| - Sale of cenosphere | 5.40 | 27.59 |
| | 240,461.19 | 231,154.66 |

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.

| | ₹ Lacs | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2017 | Year ended 31.03.2016 |
| 24. Other income | | |
| Interest income | | |
| i. Interest income earned on: | | |
| - Bank deposits (at amortised cost) | 15.23 | 14.79 |
| - Tax assets | 118.04 | - |
| - Others | - | 0.94 |
| | 133.27 | 15.73 |
| Other non-operating income | | |
| i. Miscellaneous income | 377.57 | 14.92 |
| | 377.57 | 14.92 |
| Other gains and losses | | |
| i. Gain on disposal of property, plant and equipment | - | 7.31 |
| ii. Net foreign exchange gains/(losses) | 0.32 | 2.66 |
| iii. Gain arising on financial assets designated as at FVTPL | 1,329.72 | 109.86 |
| | 1,330.04 | 119.83 |
| | 1,840.88 | 150.48 |

| | | |
|---|-----------------|-----------------|
| 25. Employee benefit expense | | |
| i. Salaries and wages | 3,588.38 | 3,145.20 |
| ii. Contribution to provident funds | 162.88 | 151.38 |
| iii. Contribution to superannuation fund | 53.73 | 46.71 |
| iv. Retiring gratuities | 66.63 | 64.78 |
| v. Leave encashment scheme | 122.49 | 85.06 |
| vi. Staff welfare expenses | 274.01 | 304.68 |
| | 4,268.12 | 3,797.81 |
| Less: Transferred to capital work-in-progress | 253.82 | 247.43 |
| | 4,014.30 | 3,550.38 |

| | | |
|--|------------------|------------------|
| 26. Finance costs | | |
| i. Interest costs : | | |
| Interest on short term borrowings and cash credit | 46.07 | 285.25 |
| Interest on debentures | 5,293.48 | 1,602.47 |
| Interest on term loan | 19,525.32 | 26,091.82 |
| Interest on loans from related parties (Refer note 40) | 502.53 | 1,302.56 |
| Interest on commercial paper | 189.26 | 1,086.24 |
| | 25,556.66 | 30,368.34 |
| ii. Other finance costs | 118.18 | 448.44 |
| iii. Bank charges | 165.40 | 217.76 |
| | 25,840.24 | 31,034.54 |



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|----------------------------------|----------------------------------|
| | ₹ Lacs | |
| 27. Depreciation and amortisation expense | | |
| i. Depreciation of plant, property and equipment | 23,766.44 | 23,466.33 |
| ii. Amortisation of intangible assets | 7.12 | 11.01 |
| | 23,773.56 | 23,477.34 |
| 28. Other expenses | | |
| i. Consumption of stores and spare parts | 2,063.19 | 2,439.16 |
| ii. Power and fuel | 43.60 | 79.25 |
| iii. Water charges | 993.29 | 1,003.77 |
| iv. Rent and hire charges | 95.07 | 57.75 |
| v. Amortisation of prepayment for leasehold land | 416.88 | 414.62 |
| vi. Repairs and maintenance | | |
| - Buildings | 149.24 | 123.01 |
| - Plant and equipment | 4,732.88 | 4,161.07 |
| - Others | 577.70 | 224.05 |
| vii. Insurance | 813.85 | 866.31 |
| viii. Rates and taxes | 74.39 | 123.31 |
| ix. Communication expenses | 47.90 | 51.39 |
| x. Travelling and conveyance | 270.52 | 300.66 |
| xi. Consultants' fees | 121.65 | 190.50 |
| xii. Legal and professional charges | 65.82 | 49.62 |
| xiii. Payment to auditors (Refer note I below) | 40.73 | 44.95 |
| xiv. Loss on disposal of property, plant and equipment | 13.90 | - |
| xv. Other current assets written off | - | 60.65 |
| xvi. Operation and maintenance charges | 5,047.60 | 4,792.61 |
| xvii. Trading margin on power sale | 6.74 | 56.43 |
| xviii. Transmission charges | 318.21 | 1,912.91 |
| xix. Ash disposal expenses | 3,647.73 | 3,791.36 |
| xx. Security and safety expenses | 649.16 | 783.68 |
| xxi. Corporate social responsibility expenses (See note 34) | 406.38 | 186.98 |
| xxii. Miscellaneous expenses | 368.70 | 443.74 |
| | 20,965.13 | 22,157.78 |
| Less: Transferred to capital work-in-progress | 5.17 | 68.27 |
| | 20,959.96 | 22,089.51 |
| I. Payment to the Auditors (inclusive of service tax)* | | |
| i. Statutory audit fees | 33.38 | 33.38 |
| ii. Taxation service | 3.45 | 3.45 |
| iii. Other service | 0.77 | 3.23 |
| iv. Reimbursement of expenses | 3.13 | 4.89 |
| | 40.73 | 44.95 |

* The remuneration disclosed above excludes fees of ₹ 31.02 lacs (Previous year ₹ 8.65 lacs) for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.



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NOTES TO THE FINANCIAL STATEMENTS

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|--|--------------------------|--------------------------|
| 29. Income taxes | | ₹ Lacs |
| 29.1 Income tax recognised in profit and loss | | |
| Current tax | | |
| In respect of the current year | 6,938.86 | 5,223.38 |
| In respect of the previous years | - | 147.88 |
| MAT credit | (9,730.55) | - |
| | (2,791.69) | 5,371.26 |
| Deferred tax | | |
| In respect of the current year | 9,666.85 | - |
| Total income tax expense recognised in the current year | 6,875.16 | 5,371.26 |

The Income tax expense for the year can be reconciled to the accounting profit as follows:

| | | |
|--|-----------------|-----------------|
| Profit before tax | 32,455.80 | 24,346.60 |
| Income tax expense calculated at 34.608% (2015-16: 34.608%) | 11,232.30 | 8,425.87 |
| Effect of MAT credit not recognised due to reversal of benefit under tax holiday period | - | 5,371.26 |
| Effect on tax due to tax holiday exemption under 80IA | (1,729.49) | (8,488.57) |
| Effect of expenses that are not deductible in determining taxable profit | 164.04 | 62.70 |
| Adjustments recognised in the current year in relation to the MAT credit of previous year due to change in tax law | (2,791.69) | - |
| | 6,875.16 | 5,371.26 |

The tax rate used for the financial years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

29.2 Income tax recognised in other comprehensive income

Arising on income and expenses reclassified in other comprehensive income:

| | | |
|--|-------------|-------------|
| Remeasurement of the defined benefit plan | 1.78 | 2.06 |
| Total income tax expense recognised in other comprehensive income | 1.78 | 2.06 |

Bifurcation of the income tax recognised in other comprehensive income into:

| | | |
|---|------|------|
| - Items that will not be reclassified to profit or loss | 1.78 | 2.06 |
| - Items that may be reclassified to profit or loss | - | - |

30. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|--|---------------------|---------------------|--------------------|
| | 27,503.47 | 17,982.74 | 26,510.75 |
| | 27,503.47 | 17,982.74 | 26,510.75 |

31. Contingent liabilities

- (a) 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.

- (b) Claims against the Company not acknowledged as debts for demands raised by the office of the Zonal Jt. Director General Trade for revocation of grant of deemed export benefits which has been disputed by the Company - ₹ 3,641.14 lacs (31 March, 2016 - ₹ 3,641.14 lacs and 1 April, 2015 - ₹ 3,641.14 lacs).

32. (a) The year end foreign currency exposures of the Company is ₹ Nil (31 March, 2016: ₹ Nil ; 1 April, 2015: ₹ Nil)

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



33. 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 only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in the Statement of Profit and Loss is ₹ 162.88 lacs (31 March, 2016: ₹ 151.38 lacs) and ₹ 53.73 lacs (31 March, 2016: ₹ 46.71 lacs) and represents contribution payable to the Employee Provident Fund and superannuation fund respectively. As at 31 March, 2017, contribution of ₹ 13.66 lacs (as at 31 March, 2016 ₹ 12.94 lacs) and ₹ 4.47 lacs (as at 31 March, 2016 ₹ 4.19 lacs) representing amount payable to the Employee Provident Fund and superannuation fund respectively in respect of FY 2016-17 (FY 2015-16) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

ii. Defined Benefit plan

a. Gratuity plan

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The trustee of the Fund is required by law and by its trust deed to act in the interest of the Fund and of all relevant stakeholders in the scheme i.e. active employees, inactive employees, retirees, employers. The trustees of the fund are responsible for the investment policy with regard to the assets of the fund.

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of specified no. of day's salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years' service.

Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are: - (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

| | |
|------------------------------------|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. |
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| Mortality risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. Indian Assured Lives Mortality (2006-08) ultimate table has been used in respect of the above. A change in mortality rate will have a bearing on the plan's liability. |



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| | |
|-------------|--|
| Salary risk | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
|-------------|--|

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2017 by Mr. Kulin Patel, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal actuarial assumptions:

| S. No. | Particulars | Refer Note below | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|--------|--|------------------|------------------|------------------|-----------------|
| i. | Discount rate (p.a.) | 1 | 7.00% | 7.90% | 7.90% |
| ii. | Expected rate of return on assets (p.a.) | 2 | 9.25% | 9.25% | 9.25% |
| iii. | Salary escalation rate (p.a.) | 3 | 7.50% | 7.50% | 7.50% |

Note:

- 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.
- The gratuity plan is funded.
- The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions:

| S. No. | Particulars | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|--------|-----------------|--|--|--|
| 1. | Retirement age | 60 years | 60 years | 60 years |
| 2. | Mortality table | Indian Assured Lives Mortality (2006-08) modified Ult. | Indian Assured Lives Mortality (2006-08) modified Ult. | Indian Assured Lives Mortality (2006-08) modified Ult. |
| 3. | Withdrawal rate | | | |
| | 44>Age>21 | 8% | 8% | 8% |
| | Age>44 | 2.5% | 2.5% | 2.5% |

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:



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i. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:

| Particulars | Year ended 31.03.2017 ₹ lacs | Year ended 31.03.2016 ₹ lacs |
|---|---|---|
| Current service cost | 68.37 | 61.98 |
| Net interest expenses | (1.74) | 2.80 |
| Components of defined benefit costs recognised in profit or loss | 66.63 | 64.78 |

ii. Remeasurement on the net defined benefit liability:

| Particulars | Year ended 31.03.2017 ₹ lacs | Year ended 31.03.2016 ₹ lacs |
|--|---|---|
| Actuarial (gains) / loss arising from changes in demographic assumptions | 13.78 | 21.97 |
| Return on plan assets (excluding amount included in net interest expenses) | (5.42) | (12.40) |
| Component of defined benefit costs recognised in Other Comprehensive Income | 8.36 | 9.57 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in the other comprehensive income.

iii. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:

| Particulars | As at 31.03.2017 ₹ lacs | As at 31.03.2016 ₹ lacs | As at 01.04.2015 ₹ lacs |
|--|--|--|--|
| Present value of funded defined benefit obligation | (863.97) | (609.60) | (439.78) |
| Fair value of plan assets | 708.22 | 602.31 | 244.71 |
| Funded status surplus/(deficit) | (155.75) | (7.29) | (195.07) |



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iv. Movement in the fair value of the defined benefit obligation:

| Particulars | Year ended 31.03.2017 ₹ lacs | Year ended 31.03.2016 ₹ lacs |
|--|---|---|
| Opening defined benefit obligation | 609.60 | 439.78 |
| Current service cost | 68.37 | 61.98 |
| Interest cost on defined benefit obligation | 47.85 | 34.51 |
| Acquisitions cost | 132.18 | 57.18 |
| Actuarial (gains) / loss arising from changes in demographic assumptions | 13.78 | 21.97 |
| Benefits paid | (7.81) | (5.82) |
| Closing defined benefit obligations | 863.97 | 609.60 |

v. Movement in the fair value of the plan assets are as follows:

| Particulars | Year ended 31.03.2017 ₹ lacs | Year ended 31.03.2016 ₹ lacs |
|--|---|---|
| Opening fair value of plan assets | 602.31 | 244.71 |
| Interest income | 49.59 | 31.71 |
| Employer contributions | 50.90 | 313.49 |
| Return on plan assets (excluding amount included in net interest expenses) | 5.42 | 12.40 |
| Benefits Paid | - | - |
| Closing fair value of plan assets | 708.22 | 602.31 |

The plan assets of the Company managed through a trust are managed by Birla Sun Life Insurance (BSLI) Company Limited. The details of investments relating to these assets are not shown by BSLI. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

The Company expects to make a contribution of ₹ 87.52 lacs (as at 31 March, 2016: ₹ 60.68 lacs; as at 1 April, 2015: ₹ 59.36 lacs) to defined benefit plan during the next financial year.

vi. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



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

| Particulars | As at 31.03.2017 ₹ lacs | | As at 31.03.2016 ₹ lacs | |
|---|----------------------------|----------|----------------------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (-/+1%) (% change compared to base due to sensitivity) | 77.52 | (67.31) | 58.50 | (50.79) |
| | 9.00% | (7.80%) | 9.60% | (8.30%) |
| Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity) | (67.48) | 76.06 | (51.20) | 58.03 |
| | (7.80%) | 8.80% | (8.40%) | 9.50% |
| Withdrawal Rate (-/+ 2%) (% change compared to base due to sensitivity) | 6.27 | (5.73) | 4.27 | (4.27) |
| | 0.70% | (0.70%) | 0.70 | (0.70) |
| Mortality Rate (-/+ 10% of attrition rates) (% change compared to base due to sensitivity) | 0.43 | (0.44) | 0.30 | (0.31) |
| | 0.05% | (0.50%) | 0.05% | (0.05%) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

vii. The expected maturity analysis of defined benefit obligation (valued on undiscounted basis) is as follows:

| | 31 March, 2017 ₹ lacs | 31 March, 2016 ₹ lacs |
|-------------------|--------------------------|--------------------------|
| Within 1 year | 41.79 | 30.00 |
| Between 1-2 years | 91.99 | 34.24 |
| Between 2-3 years | 48.35 | 88.38 |
| Between 3-4 years | 155.29 | 43.99 |
| Between 4-5 years | 69.93 | 45.53 |
| Beyond 5 years | 1,517.45 | 609.60 |

| | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows) | 9.5 years | 10 years |



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b. Actuarial assumptions for compensated absences

| S. No. | Particulars | Refer Note below | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
|---------------|--|-------------------------|-------------------------|-------------------------|------------------------|
| i. | Discount rate (p.a.) | 1 | 7.00% | 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% | 7.50% |

Note:

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.



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34. Corporate Social Responsibility Expenses

- a) Gross amount required to be spent by the Company during the year ended 31 March, 2017: ₹ 406.38 Lacs (31 March, 2016: ₹ 186.38 Lacs)
b) Amount spent during the year ended 31 March, 2017:

| Particulars | ₹ Lacs | | |
|---|----------|----------------|----------|
| | Paid | Yet to be paid | Total |
| i) Construction/acquisition of any assets | - | - | - |
| | (-) | (-) | (-) |
| ii) On purposes other than (i) above | 406.38 | - | 406.38 |
| | (186.98) | (-) | (186.98) |
| iii) Details of related party transaction | | | |
| - Contribution during the year ended 31 March, 2017 | - | - | - |
| | (-) | (-) | (-) |
| - Payable as at 31 March, 2017 | - | - | - |
| | (-) | (-) | (-) |

* Figure in brackets pertain to the previous year

35. Disclosure on Specified bank notes (SBNs)

The details of Specified Bank Notes (SBNs) or other denomination notes, as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016 is provided in the table below:

| Particulars | Amount in ₹ | | |
|---|-----------------|------------------------------|------------------|
| | SBNs* (₹) | Other denomination notes (₹) | Total (₹) |
| Closing cash in hand as on 8 November, 2016 | 6,000.00 | 206.00 | 6,206.00 |
| Add: Permitted receipts | - | 33,680.00 | 33,680.00 |
| Less: Permitted payments | - | 21,351.00 | 21,351.00 |
| Less: Amount deposited in banks | 6,000.00 | - | 6,000.00 |
| Closing cash in hand as on 30 December, 2016 | - | 12,535.00 | 12,535.00 |

* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

36. Segment Reporting

The Company is mainly engaged in the business of generation and selling of power in India. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

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

38. 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 ₹ 12,024.13 lacs (31 March, 2016: ₹ 11,997.50 lacs and 1 April, 2015: ₹ 11,997.50 lacs) upto 31 March, 2017. Out of total payment of excise duty to suppliers ₹ 11,911.19 lacs (net of receipts) had been capitalised and the balance amount of ₹ 112.94 lacs is included in capital work-in-progress as at 31 March, 2017.



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39. Financial Instruments

39.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Capital structure of the Company consists of net debt (borrowings as detailed in notes 16, 17 and 21 offset by cash and cash equivalents) and total equity of the Company.

The management reviews the capital structure of the Company on a quarterly basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital.

Gearing ratio

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

| | ₹ Lacs | | |
|------------------------------|---------------------|---------------------|--------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
| Debt (i) | 238,170.72 | 285,321.24 | 312,333.95 |
| Cash and cash equivalents | (1.83) | (3,055.98) | (1,207.50) |
| Net debt | 238,168.89 | 282,265.26 | 311,126.45 |
| Total equity | 188,050.14 | 177,565.26 | 168,585.97 |
| Net debt to equity ratio (%) | 126.65% | 158.96% | 184.55% |

(i) Debt is defined as long-term and short-term borrowings, as described in notes 16, 17 and 21.

39.2 Categories of financial instruments

| | ₹ Lacs | | |
|--|---------------------|---------------------|--------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 1.04.2015 |
| Financial assets | | | |
| Measured at fair value through profit or loss (FVTPL) | | | |
| (a) Designated as at FVTPL- Investment in mutual funds | 35,915.45 | - | - |
| Measured at amortised cost | | | |
| (a) Trade receivables | 28,446.93 | 56,291.94 | 44,716.85 |
| (b) Cash and cash equivalents | 1.83 | 3,055.98 | 1,207.50 |
| (c) Loans | 20.40 | 14.68 | 16.60 |
| (d) Other financial assets | 14,218.02 | 13,322.48 | 9,556.85 |
| Financial liabilities | | | |
| Measured at amortised cost | | | |
| (a) Borrowings | 219,676.97 | 264,609.65 | 293,547.83 |
| (b) Trade payables | 12,178.90 | 14,864.23 | 7,351.59 |
| (c) Other financial liabilities | 74,911.51 | 53,117.54 | 41,345.63 |

39.3 Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

39.4 Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in interest rate (see note 39.5) and price risk (see note 39.6).



39.5 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this

Interest Rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2017 would decrease/increase by Rs. 303.72 lacs (for the year ended March 2016: decrease/ increase by Rs. 441.93 lacs). This is mainly attributable to the Company's exposure to the interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

39.6 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

| Particulars | ₹ Lacs | | |
|-----------------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
| Investments in mutual funds | 35,915.45 | - | - |

For the year ended 31 March, 2017 and 31 March, 2016, every 0.50 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs. 179.58 lacs and nil, respectively.

39.7 Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

Trade receivables consist of few major customers for sale of power. Ongoing credit evaluation is performed based on the financial condition of accounts receivables and collaterals as appropriate are held as security.

Collateral held as security

The Company holds collateral i.e. letter of credit and bank guarantee to partly secure its outstanding trade receivables. Credit risk associated with receivables is mitigated because the receivables are partly secure.

39.8 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. Note 39.8.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.



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39.8.1 Expected maturity for financial liabilities

| | ₹ Lacs | | | |
|---|-----------|------------|------------|------------|
| | 0-1 year | 1-5 years | 5+ years | Total |
| 31 March, 2017 | | | | |
| Non-derivative financial liabilities | | | | |
| Borrowings* | 26,690.34 | 193,330.90 | 100,242.65 | 320,263.89 |
| Trade payables | 12,178.90 | - | - | 12,178.90 |
| Other financial liabilities* | 75,693.78 | 505.74 | - | 76,199.52 |
| 31 March, 2016 | | | | |
| Non-derivative financial liabilities | | | | |
| Borrowings* | 45,280.96 | 194,410.85 | 147,337.37 | 387,029.18 |
| Trade payables | 14,864.23 | - | - | 14,864.23 |
| Other financial liabilities* | 53,907.77 | 485.23 | - | 54,393.00 |
| 1 April, 2015 | | | | |
| Non-derivative financial liabilities | | | | |
| Borrowings* | 59,674.39 | 176,153.67 | 211,716.22 | 447,544.28 |
| Trade payables | 7,351.59 | - | - | 7,351.59 |
| Other financial liabilities* | 42,255.81 | 411.11 | - | 42,666.92 |

*including undiscounted interest

39.8.2 Financing facilities

| | ₹ Lacs | | |
|--|-------------------|-------------------|-------------------|
| | As at | As at | As at |
| | <u>31.03.2017</u> | <u>31.03.2016</u> | <u>1.04.2015</u> |
| Unsecured working capital loan facility: | | | |
| -amount used | - | 8,000.00 | - |
| -amount unused | <u>10,500.00</u> | <u>2,500.00</u> | - |
| | <u>10,500.00</u> | <u>10,500.00</u> | - |
| Secured cash credit and unsecured working capital loan facility: | | | |
| -amount used | 6,122.33 | 2,352.07 | 23,144.32 |
| -amount unused | <u>2,877.67</u> | <u>19,147.93</u> | <u>14,355.68</u> |
| | <u>9,000.00</u> | <u>21,500.00</u> | <u>37,500.00</u> |
| Secured bank loan facilities as per CLA entered on 26 February, 2014 (See note 16(II)) | | | |
| -amount used | 293,920.00 | 293,920.00 | 293,920.00 |
| -amount unused | <u>68,840.00</u> | <u>68,840.00</u> | <u>68,840.00</u> |
| | <u>362,760.00</u> | <u>362,760.00</u> | <u>362,760.00</u> |

39.9 Fair value measurements

39.9.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Company's investments in mutual funds are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

| Particulars | ₹ Lacs | | | Fair value hierarchy | Valuation techniques and key inputs |
|---|-------------------|-------------------|-------------------|----------------------|--|
| | Fair value as at | | | | |
| | <u>31.03.2017</u> | <u>31.03.2016</u> | <u>01.04.2015</u> | | |
| Investment in mutual funds designated as at fair value through profit or loss | 35,915.45 | - | - | Level 1 | NAV of mutual fund investments at reporting date |

39.9.2 Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.



40. Related Party Transactions

a. List of related parties

i. Controlling entity (CE)

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

ii. Entity exercising significant influence (SI)

Damodar Valley Corporation (DVC)

iii. Fellow subsidiaries

Tata Power Trading Company Lir

Coastal Gujarat Power Limited (CGPL)

Powerlinks Transmission Limited (PTL)

Industrial Energy Limited (IEL)

Tata Power Solar System Limited (TPSSL)

iv. Others - Post employment benefit plan (PEBP)

M/s Maithon Power Gratuity Fund (Fund)

v. Key Management Personnel (KMP)

Mr. Kozipart Chandrashekhar - Chief Executive Officer and Executive Director



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₹ Lacs

b. Transactions/balances outstanding with related parties

| Particulars | CE | | Fellow subsidiaries | | | | | | Sub total | PEBP Fund | KMP | Grand Total |
|--|------------|-------------|---------------------|--------|--------|------|-------|-----|--------------|-----------|-----|--------------|
| | TPCL | SI | TPTCL | CGPL | IEL | PTL | TPSSL | | | | | |
| i) Transactions during the year | | | | | | | | | | | | |
| Revenue from power supply | - | 38,172.08 | 147,034.22 | - | - | - | - | - | 147,034.22 | - | - | 185,206.30 |
| | (-) | (64,318.05) | (165,962.55) | (-) | (-) | (-) | (-) | (-) | (165,962.55) | (-) | (-) | (230,280.60) |
| Cash discount on power sales | - | 616.52 | 3,287.86 | - | - | - | - | - | 3,287.86 | - | - | 3,904.38 |
| | (-) | (-) | (3,121.22) | (-) | (-) | (-) | (-) | (-) | (3,121.22) | (-) | (-) | (3,121.22) |
| Power and fuel* | - | 51.04 | - | - | - | - | - | - | - | - | - | 51.04 |
| | (-) | (70.16) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (70.16) |
| Water charges | - | 962.90 | - | - | - | - | - | - | - | - | - | 962.90 |
| | (-) | (965.56) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (965.56) |
| Rent and hire charges | 6.37 | 44.11 | - | - | - | - | - | - | - | - | - | 50.48 |
| | (4.75) | (5.13) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (9.88) |
| Operation and maintenance charges | 4,744.92 | - | - | - | - | - | - | - | - | - | - | 4,744.92 |
| | (4,396.63) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (4,396.63) |
| Trading margin on power sale | - | - | 6.74 | - | - | - | - | - | 6.74 | - | - | 6.74 |
| | (-) | (-) | (56.43) | (-) | (-) | (-) | (-) | (-) | (56.43) | (-) | (-) | (56.43) |
| Transmission charges | - | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (915.18) | (-) | (-) | (-) | (-) | (-) | (915.18) | (-) | (-) | (915.18) |
| Purchases of property, plant and equipment | - | - | - | - | 0.45 | 0.40 | - | - | 0.85 | - | - | 0.85 |
| | (0.24) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (0.24) |
| Sale of property, plant and equipment | 7.03 | - | - | 0.30 | - | - | 0.82 | - | 1.12 | - | - | 8.15 |
| | (2.28) | (-) | (-) | (0.71) | (0.28) | (-) | (-) | (-) | (0.99) | (-) | (-) | (3.27) |
| Interest on loan | 502.53 | - | - | - | - | - | - | - | - | - | - | 502.53 |
| | (1,302.56) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,302.56) |



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| Particulars | Fellow subsidiaries | | | | | | | | | | Grand Total | ₹ Lacs |
|---|---------------------|------------------|------------------|------|-----|-----|------|------------------|-------------------|--------------------|--------------------|--------|
| | CE | SI | TPSS | | | | PEBP | | KMP | | | |
| | TPCL | DVC | TPTCL | CGPL | IEL | PTL | TPSS | Sub total | Fund | | | |
| Reimbursement of expenses to the Company | - | 20.41 (43.24) | 66.21 (86.48) | - | - | - | - | 66.21 (86.48) | - | - | 86.62 (136.95) | |
| Service received related to CWIP | 28.59 (48.75) | - | - | - | - | - | - | - | - | - | 28.59 (48.75) | |
| Contribution to gratuity fund | - | - | - | - | - | - | - | - | 50.90 (313.49) | - | 50.90 (313.49) | |
| Managerial remuneration# | - | - | - | - | - | - | - | - | - | 107.43 (111.04) | 107.43 (111.04) | |
| Transfer of funds for settlement of project related liabilities | - | - | - | - | - | - | - | - | - | - | - | |
| | (3,057.83) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (3,057.83) | |

* ₹ 7.44 (previous year: Nil) lacs has been recovered from employees.

Managerial remuneration for KMP excludes provision for leave encashment and gratuity, as separate figures for KMP is not available.

Note:

Figures in brackets stated pertain to year ended 31 March, 2016.

| Particulars | Fellow subsidiaries | | | | | | | | | | Grand Total | ₹ Lacs |
|---|---------------------|-------------|-------------|------|-----|-----|------|-------------|------|-----|-------------|--------|
| | CE | SI | TPSS | | | | PEBP | | KMP | | | |
| | TPCL | DVC | TPTCL | CGPL | IEL | PTL | TPSS | Sub total | Fund | | | |
| ii) Balances outstanding | | | | | | | | | | | | |
| Trade receivable | | | | | | | | | | | | |
| As at 31-03-2017 | - | 22,477.51 | 5,280.58 | - | - | - | - | 5,280.58 | - | - | 27,758.09 | |
| As at 31-03-2016 | (-) | (39,155.99) | (16,890.33) | (-) | (-) | (-) | (-) | (16,890.33) | (-) | (-) | (56,046.32) | |
| As at 01-04-2015 | (-) | (25,186.09) | (19,279.09) | (-) | (-) | (-) | (-) | (19,279.09) | (-) | (-) | (44,465.18) | |
| Other financial assets - unbilled revenue | | | | | | | | | | | | |
| As at 31-03-2017 | - | 2,986.47 | - | - | - | - | - | - | - | - | 2,986.47 | |
| As at 31-03-2016 | (-) | (5,641.40) | (350.86) | (-) | (-) | (-) | (-) | (350.86) | (-) | (-) | (5,992.26) | |
| As at 01-04-2015 | (-) | (4,491.93) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (4,491.93) | |
| Other financial assets - security deposits | | | | | | | | | | | | |
| As at 31-03-2017 | - | 20.00 | - | - | - | - | - | - | - | - | 20.00 | |
| As at 31-03-2016 | (-) | (20.00) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (20.00) | |
| As at 01-04-2015 | (-) | (20.00) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (20.00) | |



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| Particulars | Fellow subsidiaries | | | | | | | | | | Grand Total | |
|---|---------------------|------------|------------|------|--------|-----|-------|------------|-----------|-----|-------------|--|
| | CE | SI | TPTCL | CGPL | IEL | PTL | TPSSL | Sub total | PEBP Fund | KMP | | |
| Other current assets - others | | | | | | | | | | | | |
| As at 31-03-2017 | 6.54 | 2.02 | 3.94 | 1.11 | - | - | 0.82 | 5.87 | - | - | 14.43 | |
| As at 31-03-2016 | (0.58) | (-) | (-) | (-) | (0.80) | (-) | (-) | (0.80) | (-) | (-) | (1.38) | |
| As at 01-04-2015 | (14.11) | (-) | (-) | (-) | (0.38) | (-) | (-) | (0.38) | (-) | (-) | (14.49) | |
| Long term borrowings | | | | | | | | | | | | |
| As at 31-03-2017 | - | - | - | - | - | - | - | - | - | - | - | |
| As at 31-03-2016 | (12,350.00) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (12,350.00) | |
| As at 01-04-2015 | (12,350.00) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (12,350.00) | |
| Trade payables | | | | | | | | | | | | |
| As at 31-03-2017 | 402.24 | 93.42 | - | - | - | - | - | - | - | - | 495.66 | |
| As at 31-03-2016 | (504.67) | (92.46) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (597.13) | |
| As at 01-04-2015 | (208.26) | (90.87) | (31.10) | (-) | (-) | (-) | (-) | (31.10) | (-) | (-) | (330.23) | |
| Interest accrued but not due on borrowings | | | | | | | | | | | | |
| As at 31-03-2017 | - | - | - | - | - | - | - | - | - | - | - | |
| As at 31-03-2016 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | |
| As at 01-04-2015 | (1,217.09) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,217.09) | |
| Other current liabilities | | | | | | | | | | | | |
| As at 31-03-2017 | - | - | - | - | - | - | - | - | - | - | - | |
| As at 31-03-2016 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | |
| As at 01-04-2015 | (4.63) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (4.63) | |
| Liability towards gratuity fund | | | | | | | | | | | | |
| As at 31-03-2017 | - | - | - | - | - | - | - | - | 155.75 | - | 155.75 | |
| As at 31-03-2016 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (7.29) | (-) | (7.29) | |
| As at 01-04-2015 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (195.07) | (-) | (195.07) | |
| Letter of credit received | | | | | | | | | | | | |
| As at 31-03-2017 | - | 2,700.00 | 6,299.56 | - | - | - | - | 6,299.56 | - | - | 8,999.56 | |
| As at 31-03-2016 | (-) | (5,816.93) | (6,209.30) | (-) | (-) | (-) | (-) | (6,209.30) | (-) | (-) | (12,026.23) | |
| As at 01-04-2015 | (-) | (5,096.61) | (6,181.89) | (-) | (-) | (-) | (-) | (6,181.89) | (-) | (-) | (11,278.50) | |
| Bank guarantee given | | | | | | | | | | | | |
| As at 31-03-2017 | - | 65.70 | - | - | - | - | - | - | - | - | 65.70 | |
| As at 31-03-2016 | (-) | (65.70) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (65.70) | |
| As at 01-04-2015 | (-) | (65.70) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (65.70) | |



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| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|--|----------------------------------|----------------------------------|
| | ₹ per share | ₹ per share |
| 41. Earnings per share | | |
| Basic/diluted earnings per share (face value of Rs. 10 each) | 1.70 | 1.26 |
| | 1.70 | 1.26 |

41.1 Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|----------------------------------|----------------------------------|
| Earnings used in the calculation of basic/diluted earnings per share (Rs. lacs) | 25,580.64 | 18,975.34 |
| Weighted average number of equity shares for the purposes of basic/diluted earnings per share | 1,508,917,729 | 1,508,917,729 |

Note: The Company did not have any potentially dilutive securities in any of the period presented.



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42. First-time Ind AS adoption reconciliations

42.1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015

| Particulars | Note | As at 31.03.2016 | | As at 1.04.2015 | | ₹ Lacs |
|-------------------------------------|-------|---------------------|--------------------------------------|--------------------|--------------------------------------|-------------------|
| | | Previous GAAP* | Effect of transition to Ind AS | Previous GAAP* | Effect of transition to Ind AS | |
| Non-current assets | | | | | | |
| Property, plant and equipment | iii. | 386,987.51 | 12,351.21 | 399,338.72 | 395,489.74 | 407,840.95 |
| Capital work-in-progress | | 19,250.83 | - | 19,250.83 | 22,257.13 | 22,257.13 |
| Intangible assets | | 11.94 | - | 11.94 | 22.95 | 22.95 |
| Financial assets | | | | | | |
| (i) Loans | | 12.91 | - | 12.91 | - | - |
| (ii) Other financial assets | | 30.23 | - | 30.23 | 21.52 | 21.52 |
| Non-current tax assets | | 914.26 | - | 914.26 | 1,103.95 | 1,103.95 |
| Other non-current assets | | 9,325.71 | - | 9,325.71 | 11,658.01 | 11,658.01 |
| | | 416,533.39 | 12,351.21 | 428,884.60 | 430,553.30 | 442,904.51 |
| Current assets | | | | | | |
| Inventories | | 11,712.09 | - | 11,712.09 | 12,527.27 | 12,527.27 |
| Financial assets | | | | | | |
| (i) Trade receivables | | 56,291.94 | - | 56,291.94 | 44,716.85 | 44,716.85 |
| (ii) Cash and cash equivalents | | 3,055.98 | - | 3,055.98 | 1,207.50 | 1,207.50 |
| (iii) Loans | | 1.77 | - | 1.77 | 16.60 | 16.60 |
| (iv) Other financial assets | | 13,292.25 | - | 13,292.25 | 9,535.33 | 9,535.33 |
| Other current assets | i. | 1,695.73 | (327.79) | 1,367.94 | 3,588.28 | 3,371.48 |
| | | 86,049.76 | (327.79) | 85,721.97 | 71,591.83 | 71,375.03 |
| Total assets | | 502,583.15 | 12,023.42 | 514,606.57 | 502,145.13 | 514,279.54 |
| Equity | | | | | | |
| Equity share capital | | 150,891.77 | - | 150,891.77 | 150,891.77 | 150,891.77 |
| Other equity | i,iii | 13,418.21 | 13,255.28 | 26,673.49 | 4,496.88 | 17,694.20 |
| Total equity | | 164,309.98 | 13,255.28 | 177,565.26 | 155,388.65 | 168,585.97 |
| Non-current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | i. | 245,410.41 | (963.57) | 244,446.84 | 263,938.59 | 262,956.70 |
| (ii) Other financial liabilities | | 485.23 | - | 485.23 | 411.11 | 411.11 |
| Provisions | | 327.63 | - | 327.63 | 272.82 | 272.82 |
| Other non-current liabilities | | 1,697.45 | - | 1,697.45 | 1,697.45 | 1,697.45 |
| | | 247,920.72 | (963.57) | 246,957.15 | 266,319.97 | 265,338.08 |
| Current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | i. | 20,352.07 | (189.26) | 20,162.81 | 30,644.32 | 30,591.13 |
| (ii) Trade payables | | 14,864.23 | - | 14,864.23 | 7,351.59 | 7,351.59 |
| (iii) Other financial liabilities | ii. | 52,711.34 | (79.03) | 52,632.31 | 40,962.35 | 40,934.52 |
| Provisions | | 28.31 | - | 28.31 | 220.39 | 220.39 |
| Current tax liabilities | | 367.72 | - | 367.72 | 425.63 | 425.63 |
| Other current liabilities | | 2,028.78 | - | 2,028.78 | 832.23 | 832.23 |
| | | 90,352.45 | (268.29) | 90,084.16 | 80,436.51 | 80,355.49 |
| Total liabilities | | 338,273.17 | (1,231.86) | 337,041.31 | 346,756.48 | 345,693.57 |
| Total equity and liabilities | | 502,583.15 | 12,023.42 | 514,606.57 | 502,145.13 | 514,279.54 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



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42.2 Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015

| | ₹ Lacs | |
|---|---------------------|--------------------|
| | As at 31.03.2016 | As at 1.04.2015 |
| Total equity (shareholders funds) under previous GAAP | | |
| Share capital | 150,891.77 | 150,891.77 |
| Reserves and surplus | 13,418.21 | 4,496.88 |
| | 164,309.98 | 155,388.65 |
| Adjustments: | | |
| Recognition of borrowings at amortised cost using effective interest rate (EIR) method under Ind AS | 904.07 | 846.11 |
| Fair valuation of freehold land | 12,351.21 | 12,351.21 |
| Total adjustment to equity | 13,255.28 | 13,197.32 |
| Total equity under Ind AS | | |
| Equity share capital | 150,891.77 | 150,891.77 |
| Other equity | 26,673.49 | 17,694.20 |
| | 177,565.26 | 168,585.97 |

42.3 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31 March,2016

| Note | Year ended 31.03.2016 | | |
|---|-----------------------|--------------------------------------|-------------------|
| | Previous GAAP* | Effect of transition to Ind AS | Ind AS |
| Revenue from operations | 231,154.66 | - | 231,154.66 |
| Other income | 150.48 | - | 150.48 |
| Total income (A) | 231,305.14 | - | 231,305.14 |
| Cost of power purchase | 48.82 | - | 48.82 |
| Cost of fuel | 126,757.95 | - | 126,757.95 |
| Employee benefit expense | 3,559.95 | (9.57) | 3,550.38 |
| Finance costs | 31,092.50 | (57.96) | 31,034.54 |
| Depreciation and amortisation expense | 23,477.34 | - | 23,477.34 |
| Other expenses | 22,089.51 | - | 22,089.51 |
| Total expenses (B) | 207,026.07 | (67.53) | 206,958.54 |
| Profit before tax (A-B) | 24,279.07 | 67.53 | 24,346.60 |
| Tax expense | | | |
| Current tax | 5,369.20 | 2.06 | 5,371.26 |
| | 5,369.20 | 2.06 | 5,371.26 |
| Profit for the year | 18,909.87 | 65.47 | 18,975.34 |
| Other comprehensive income | | | |
| i. Items that will not be reclassified to profit or loss | | | |
| - Remeasurements of the defined benefit plans | - | (9.57) | (9.57) |
| ii. Income tax relating to items that will not be reclassified to profit and loss | - | 2.06 | 2.06 |
| Total other comprehensive income | - | (7.51) | (7.51) |
| Total comprehensive income for the year | 18,909.87 | 57.96 | 18,967.83 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



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42.4 Reconciliation of total comprehensive income for the year ended 31 March, 2016

| | Note | ₹ Lacs Year ended 31.03.2016 |
|---|------|------------------------------------|
| Profit as per previous GAAP | | 18,909.87 |
| Adjustments : | | |
| Recognition of borrowings at amortised cost using effective interest rate (EIR) method under Ind AS | i. | 57.96 |
| Remeasurement of defined benefit obligation recognised in other comprehensive income(net of tax) | ii. | 7.51 |
| Total effect of transition to Ind AS | | 65.47 |
| Profit for the year as per Ind AS | | 18,975.34 |
| Other comprehensive income for the year (net of tax) | ii. | (7.51) |
| Total comprehensive income under Ind AS | | 18,967.83 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

42.5 Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2016

| | ₹ Lacs Year ended 31.03.2016 | | |
|---|---------------------------------|--------------------------------------|-----------------------------------|
| | Previous GAAP* | Effect of Transition to Ind AS | As per Ind AS balance sheet |
| Net Cash flows from operating activities | 78,963.75 | - | 78,963.75 |
| Net Cash flows from / (used in) investing activities | (10,785.12) | - | (10,785.12) |
| Net Cash flows from / (used in) financing activities | (66,330.15) | - | (66,330.15) |
| Net decrease in cash and cash equivalents | 1,848.48 | - | 1,848.48 |
| Cash and Cash equivalents at the beginning of the year | 1,207.50 | - | 1,207.50 |
| Cash and Cash equivalents at the end of the year | 3,055.98 | - | 3,055.98 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

42.6 Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purposes of Statement of cash flow under Ind AS

| | ₹ Lacs | |
|--|---------------------|--------------------|
| | As at 31.03.2016 | As at 1.04.2015 |
| Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP | 3,055.98 | 1,207.50 |
| Cash and Cash equivalents for the purpose of statement of cash flows under Ind AS | 3,055.98 | 1,207.50 |

Notes to the reconciliation between previous GAAP and Ind AS

i. **Borrowings:** Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, borrowings as at 1 April, 2015 and 31 March, 2016 have been increase by ₹ 846.11 Lacs and ₹ 904.07 Lacs respectively with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 increased by ₹ 57.96 Lacs on account of change in effective interest expense.

ii. **Re-measurement gains or losses:** Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses form part of measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS insted of profit and loss. The actuarial losses for the year ended 31 March, 2016 were ₹ 9.57 lacs and the tax effect thereon ₹ 2.06 lacs. This change does not affect total equity, but there is a increase in profit before tax of ₹ 7.51 lacs and decrease in other comprehensive income of ₹ 7.51 lacs for the year ended 31 March, 2016.

iii. **Freehold land:** The Company has elected to fair value its freehold land and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, the freehold land is carried at fair value of ₹ 29,622.16 lacs carrying amount reported under previous GAAP was ₹ 17,270.95 lacs. Difference between the fair value and carrying amount reported under previous GAAP of ₹ 12,351.21 lacs has been credited to retained earnings as at 1 April, 2015.



MAITHON POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

43. Approval of financial statements

The financial statements were approved by the Board of Directors on 26 April, 2017.

For and on behalf of the Board of Directors


Ashok Sethi
Chairman


Sanjeev Kumar Seth
Director

Place: Mumbai
Date: 26/04/17

Place: Kolkata
Date: 26/04/17


Santosh C R
Company Secretary

Place: Mumbai
Date: 26/04/17




K. Chandrashekar
Chief Executive Officer
and Executive Director

Place: Maithon
Date: 26/04/17


Pradip Roy
Chief Financial Officer

Place: Mumbai
Date: 26/04/17