

TATA POWER TRADING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Power Trading Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tata Power Trading Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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. 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 we have obtained 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 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an opinion on those statements on May 5, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjeev Kumar Singhal**

Partner

Membership Number: 095377

Place of Signature:

Date: April 25, 2018



Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Tata Power Trading Company Limited (‘the Company’)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans. The Company did not have loans or borrowings in respect of financial institutions or government or dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by term loans for the purposes for which they were raised. Further, according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjeev Kumar Singhal

Partner

Membership Number: 095377

Place of Signature:

Date: April 25, 2018



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TATA POWER TRADING COMPANY LIMITED

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

We have audited the internal financial controls over financial reporting of Tata Power Trading Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, 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 **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjeev Kumar Singh**
Partner

Membership Number: 095377

Place of Signature:

Date: April 25, 2018



Tata Power Trading Company Limited
Balance sheet as at 31st March, 2018

	Notes	As at	As at
		31st March, 2018	31st March, 2017
		₹ Lakhs	₹ Lakhs
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4	5,091.99	2,839.48
(b) Capital Work-in-Progress		-	2,591.39
(c) Intangible Assets	5	209.37	307.41
(d) Financial Assets			
(i) Investments	6	-	387.00
(e) Non-current Tax Assets (Net)	9	219.22	92.20
(f) Other Non-current Assets	10	8.40	230.55
Total Non-current Assets		5,528.98	6,448.03
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	7	14,749.32	48,703.13
(ii) Unbilled Revenue		19,523.71	11,344.15
(iii) Cash and cash Equivalents	11	4.93	810.56
(iv) Bank Balances other than (iii) above	11	91.36	-
(v) Other financial assets	8	17,977.58	1,514.17
(b) Other Current Assets	10	10.38	149.39
Total Current Assets		52,357.28	62,521.40
TOTAL ASSETS		57,886.26	68,969.43
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,600.00	1,600.00
(b) Other Equity	13	14,039.89	14,192.66
Total Equity		15,639.89	15,792.66
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	3,143.56	3,403.98
(b) Provisions	16	246.00	225.21
(c) Deferred Tax Liabilities (Net)	17	923.01	511.44
Total Non-current Liabilities		4,312.57	4,140.63
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,375.05	14,233.37
(ii) Trade Payables	20	23,141.31	32,599.43
(iii) Other Financial Liabilities	15	875.61	1,664.29
(b) Provisions	16	1,213.55	8.56
(c) Current Tax Liabilities (Net)		87.06	-
(d) Other Current Liabilities	18	10,241.22	530.49
Total Current Liabilities		37,933.80	49,036.14
TOTAL EQUITY AND LIABILITIES		57,886.26	68,969.43

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R.Batliloi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005


per Sanjeev Kumar Singh
Partner
Membership No. 95377



Place: New Delhi
Date: 25th April, 2018

For and on behalf of the Board of Directors



S. Ramakrishnan
Chairman



Sanjeev Mehra
Managing Director


Amey Naik
Chief Financial Officer & Company Secretary

Place: Noida
Date: 25th April, 2018



Tata Power Trading Company Limited
Statement of profit and loss for the year ended 31st March, 2018

	Notes	For Year ended	For Year ended
		31st March, 2018	31st March, 2017
		₹ Lakhs	₹ Lakhs
I Revenue from Operations	21	3,69,141.91	4,60,508.51
II Other Income	22	51.96	147.28
III Total Income		3,69,193.87	4,60,655.79
IV Expenses			
(a) Cost of Power Purchased (refer note 28)		3,68,143.46	4,62,330.80
Less: Cash discount earned		6,090.13	6,846.67
		3,62,053.33	4,55,484.13
(b) Compensation Expense (Net)		373.23	(62.82)
(c) Employee Benefits Expense	23	1,100.99	919.52
(d) Finance Costs	24	1,013.05	1,803.56
(e) Depreciation and Amortisation Expenses	4 & 5	456.86	312.65
(f) Other Expenses	25	1,769.38	1,282.66
Total Expenses		3,66,766.84	4,59,739.70
V Profit Before Tax		2,427.03	916.09
VI Tax Expense			
Current Tax	26	601.50	224.94
Tax for earlier years	26	(66.66)	16.05
Deferred Tax	26	393.02	156.77
		927.86	397.76
VII Profit for the period		1,499.17	518.33
VIII Other Comprehensive Income			
A Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		53.58	(7.48)
(b) Tax expense		(18.54)	2.59
Total Other Comprehensive Income		35.04	(4.89)
IX Total Comprehensive Income for the period (VII+ VIII)		1,534.21	513.44
X Earnings Per Equity Share (Face Value ₹ 10/- Per Share)			
Basic (₹)	27	9.37	3.24
Diluted (₹)	27	9.37	3.24

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005


per Sanjeev Kumar Singh
Partner
Membership No. 95377



Place: New Delhi
Date: 25th April, 2018

For and on behalf of the Board of Directors



S. Ramakrishnan
Chairman



Amey Naik
Chief Financial Officer & Company Secretary

Place: Noida
Date: 25th April, 2018



Sanjeev Mehra
Managing Director



Tata Power Trading Company Limited
Statement of cash flows for the period ended 31st March , 2018

	Year Ended 31st March,2018 ₹ Lakhs	Year Ended 31st March,2017 ₹ Lakhs
A. Cash flow from operating activities		
Profit before tax	2,427.03	916.09
Depreciation and amortisation expense of property, plant & equipment	456.86	312.65
Interest income	(3.30)	(17.40)
Gain arising on financial assets designated as at FVTPL	-	(21.75)
Decrease in fair valuation of investment	387.00	-
Finance cost	1,013.05	1,803.56
Loss/(gain) on disposal of property, plant and equipment	0.97	(0.01)
Gain on sale of current investments	(48.66)	(108.13)
Amortization of leasehold land	0.40	0.40
Liability no longer required written back	(411.35)	(1.98)
Provision for doubtful debts and advances (Net)	(130.38)	(33.25)
	3,691.62	2,850.18
Decrease in trade receivables	34,042.72	18,487.24
Decrease/(increase) in other current assets	139.01	(125.53)
(Increase)/decrease in other current financial assets	(24,691.34)	5,203.85
Decrease in trade payables	(9,046.77)	(14,540.86)
Increase/(decrease) on other current liabilities	9,710.73	(175.22)
Decrease in other current financial liabilities	(189.23)	(136.95)
Increase in provisions	73.81	25.95
	10,038.93	8,738.48
Cash generated from operations	13,730.55	11,588.66
Income taxes paid	(574.79)	(276.04)
Net cash flow from operating activities	13,155.76	11,312.62
B. Cash flow from investing activities		
Payments for property, plant and equipment	(410.43)	(318.77)
Proceeds from disposal of property, plant and equipment	2.02	1.10
Inter company deposits given	(12,000.00)	-
Inter company deposits received	12,000.00	-
Purchase of current investments	(85,650.00)	(1,91,095.00)
Proceeds from sale of current investments	85,698.66	1,91,201.39
Interest income received on fixed deposits	-	17.40
Net cash flow used in investing activities	(359.75)	(193.88)
C. Cash flow from financing activities		
Proceeds from borrowings	1,44,481.37	1,68,784.42
Repayment of borrowings	(1,58,919.37)	(1,66,981.40)
Finance costs paid	(1,015.32)	(1,796.72)
Dividends paid	(400.00)	(480.00)
Dividend distribution tax paid	(81.43)	(97.72)
Finance income received	1.78	-
Net cash flow used in financing activities	(15,932.97)	(571.42)
	(3,136.96)	10,547.32
Net (decrease)/increase in cash and cash equivalents	(3,136.96)	10,547.32
Cash and cash equivalents as at 1st April,2017	766.84	(9,780.48)
Cash and cash equivalents as at 31st March,2018 (Refer note 10)	(2,370.12)	766.84

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Firm Registration No: 301003E / E300005
Chartered Accountants


per Sanjeev Kumar Singhal
Partner
Membership No. 95377



Place: New Delhi
Date: 25th April, 2018

For and on behalf of the Board of Directors



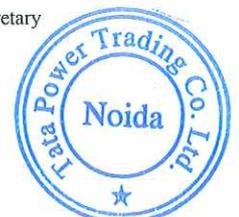
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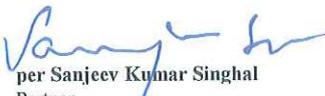
Tata Power Trading Company Limited
Statement of changes in equity for the period ended 31st March, 2018.

A. Equity Share Capital					
	₹ Lakhs				
	No. of Shares	Amount			
Balance as at 1st April, 2016	1,60,00,000	1,600			
Issue of Equity Shares during the period	-	-			
Balance as at 31st March, 2017	1,60,00,000	1,600			
Issue of Equity Shares during the year	-	-			
Balance as at 31st March, 2018	1,60,00,000	1,600			

B. Other Equity					
	₹ Lakhs				
Description	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Decmed capital contribution from holding company	
Balance as at 1st April, 2016	1,355.00	2,089.50	10,804.14	-	14,248.64
Add: Issue of financial Guarantee by holding company	-	-	-	8.30	8.30
Profit for the year	-	-	518.33	-	518.33
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	(4.89)	-	(4.89)
Total Comprehensive Income	-	-	513.44	8.30	521.74
Dividend paid (including tax on dividend)	-	-	577.72	-	577.72
Balance as at 31st March, 2017	1,355.00	2,089.50	10,739.86	8.30	14,192.66
Balance as at 1st April, 2017	1,355.00	2,089.50	10,739.86	8.30	14,192.66
Profit for the year	-	-	1,499.17	-	1,499.17
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	35.04	-	35.04
Total Comprehensive Income	-	-	1,534.21	-	1,534.21
Dividend paid (including tax on dividend)	-	-	1,400.00	-	1,400.00
Tax on Dividend	-	-	286.98	-	286.98
Balance as at 31st March, 2018	1,355.00	2,089.50	10,587.09	8.30	14,039.89

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005


per Sanjeev Kumar Singhal
Partner
Membership No. 95377



Place: New Delhi
Date: 25th April, 2018

For and on behalf of the Board of Directors



S. Ramakrishnan
Chairman



Amey Naik
Chief Financial Officer & Company Secretary



Sanjeev Mehra
Managing Director

Place: Noida
Date: 25th April, 2018



Tata Power Trading Company Limited
Notes of the financial statements

1. General information:

Tata Power Trading Company Limited is a wholly owned subsidiary of The Tata Power Company Limited. The Company is primarily engaged in the business of trading of electricity across the country. Central Electricity Regulatory Commission (CERC) has granted Category "T" certificate to the Company for purposes of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities. The Company is a public limited company incorporated and domiciled in India and has its registered office of the Company is Carnac Receiving station, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400009, India.

The financial statements were authorized for issue in accordance with a resolution of the Directors on April 25, 2018.

2. Significant accounting policies:

a) Statement of compliance

The Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation:

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

c) 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.

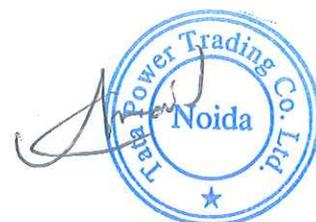
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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, estimation of onerous contract provision related to Dagachhu Project, impairment of investment, and provision for employee benefits, current and deferred tax, useful life of property, plant & equipment.

d) Revenue recognition

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. Revenue is measured at the fair value of the consideration received or receivable.

- i. Revenue from sale of power is accounted for based on rates agreed with the customers.
- ii. For sale of power under banking arrangements only margin earned on the transactions is accounted for as revenue.
- iii. Revenue in the nature of advisory services rendered towards finalisation of power purchase agreements, load management etc. is recognised as determined under the terms of respective agreements.
- iv. Delayed payment charges for power supply on grounds of prudence are recognised when recovery is virtually certain.
- v. Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.



Tata Power Trading Company Limited
Notes of the financial statements

- vi. 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).
- vii. 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.

e) Leasing

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is 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.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at 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 net investment outstanding in respect of the lease.

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs (See note 2.1.g). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.



Tata Power Trading Company Limited
Notes of the financial statements

f) Foreign currencies

The functional currency of the Company is Indian rupee (Rs.). These Financial Statements are presented in Indian rupees.

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.

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. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit/loss for the period in which the transaction is settled.

g) 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.

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

h) Employee benefits

i) Retirement benefit costs and termination benefits

a) Defined contribution plans

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

b) Defined benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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

ii) 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.



Tata Power Trading Company Limited
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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.

i) Taxation

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

i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

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.



Tata Power Trading Company Limited
Notes of the financial statements

j) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (Net off trade discount & rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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 available for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on 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 following assets whose estimated useful life is assessed based on technical advice, taking into account the regulatory prescribed rates, nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Plant and Equipment - Wind Mill: 25 years (Initial 10 years at 6% based on GERC, thereafter 2%)

Plant and Equipment - Solar Plant: 15 years

Motor Vehicles: 5 years

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Intangible assets:

i) 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.

ii) 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, and are recognised in profit or loss when the asset is derecognised.



Tata Power Trading Company Limited
Notes of the financial statements

iii) Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Software license: 5 years

l) Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate Cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If No such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share Prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future Cash flows after the fifth year to estimate Cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates Cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

m) 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 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.



Tata Power Trading Company Limited
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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.

n) 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.

o) Financial assets

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.

i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments in fair value through Profit or loss category are measured at fair value with all changes recognised in Profit and loss

ii) 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 net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of profit and Loss and is included in the "Other income" line item.



Tata Power Trading Company Limited
Notes of the financial statements

iii) 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 the gains and losses on them on different bases.

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.

iv) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition..

v) 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.

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 is recognised in the Statement of Profit and Loss.

p) Financial liabilities and equity instruments

i) 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.

ii) 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.



Tata Power Trading Company Limited
Notes of the financial statements

iii) Financial liabilities

Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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.

Financial Guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

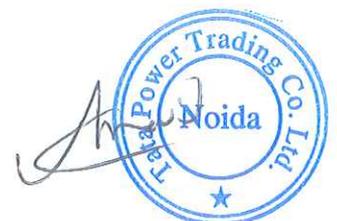
The Company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

q) 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 & demand deposit with bank.

r) Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax 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.



Tata Power Trading Company Limited
Notes of the financial statements

s) Earnings per equity share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

i) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- a. The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- b. The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Operating cycle

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Group's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

u) Contingent liabilities

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Standards issued but not yet effective

a) IND AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its financials.

b) Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.



Tata Power Trading Company Limited
Notes of the financial statements

c) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since there are no investment properties, the Company does not expect any effect on its financial statements.

d) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

e) Critical accounting judgement & estimates

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



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The areas involving critical estimates are:

i. Estimation of defined benefit obligation- Note 2(h)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables

ii. Fair Value of Investment

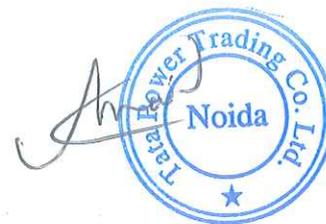
During the year company has evaluated the fair value of its investment in Tata Ceramics Limited based on fair valuation conducted by an independent expert (Also refer note 6 and note 31)

iii. Estimation of Onerous Contract

The Company has a take-or-pay contract with Dagachhu Hydro Power Corporation Limited (DHPC) for a period of 25 years (upto March, 2040) for purchase of power from 126 MW run of the river hydro plant with a guaranteed base rate which is escalable 2% every calendar year. During the year, the Company incurred a loss as the power was sold at a rate lower than the guaranteed base rate. The lower rate realisation was on account of suppressed power market prices during the year, limited access to power market for power from outside the country, corridor constraint resulting in increase in transmission charges, etc. The Management has assessed the profitability over the contract period based on the price estimates shared by third party expert upto FY 2040. The prices have been forecasted by third expert using statistical tools and models. Based on assessment carried out, Management is of the opinion that the contract would be profitable over a period of time and no provision needs to be made for onerous contract. The policy for the provision for onerous contracts has been explained under note 2(m)(i).

iv. Useful life of property , plant and equipment

As described in note 2 above, the company reviews the estimated useful lives of property plant and equipment at end of each annual reporting period.



Tata Power Trading Company Limited
Notes to the financial statements

4. Property, Plant and Equipment

₹ Lakhs

	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost					
Balance as at 1st April, 2017	3,271.82	2.91	23.33	15.27	3,313.33
Additions	2,603.22	0.47	-	10.64	2,614.33
Disposals	15.45	0.08	15.50	-	31.03
Balance as at 31st March, 2018	5,859.59	3.30	7.83	25.91	5,896.63
Accumulated depreciation					
Balance as at 1st April, 2017	439.93	1.10	19.07	13.75	473.85
Depreciation Expense	354.54	0.30	0.80	3.19	358.83
Disposal of Assets	13.26	0.05	14.73	-	28.04
Balance as at 31st March, 2018	781.21	1.35	5.14	16.94	804.64
Net carrying amount					
As at 31st March, 2018	5,078.38	1.95	2.69	8.97	5,091.99
As at 31st March, 2017	2,831.89	1.81	4.26	1.52	2,839.48

₹ Lakhs

	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost					
Balance as at 1st April, 2016	3,262.20	2.91	25.34	15.27	3,305.72
Additions	13.08	-	1.62	-	14.70
Disposals	3.46	-	3.63	-	7.09
Balance as at 31st March, 2017	3,271.82	2.91	23.33	15.27	3,313.33
Accumulated depreciation					
Balance as at 1st April, 2016	237.20	0.77	21.36	13.75	273.08
Depreciation Expense	205.28	0.33	0.86	-	206.47
Disposal of Assets	2.55	-	3.15	-	5.70
Balance as at 31st March, 2017	439.93	1.10	19.07	13.75	473.85
Net carrying amount					
As at 31st March, 2017	2,831.89	1.81	4.26	1.52	2,839.48
As at 31st March, 2016	3,025.00	2.14	3.98	1.52	3,032.64

Plant and equipment with a carrying amount of Rs. 5062.27 lakhs (as at 31st March, 2017 - Rs. 2,817.16 lakhs) have been pledged to secure borrowings of the Company (see note 14).



Tata Power Trading Company Limited
Notes to the financial statements

5. Other intangible assets

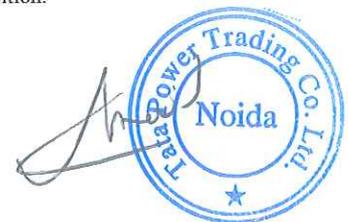
₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April, 2017	735.50	735.50
Additions	-	-
Disposal	-	-
Balance as at 31st March, 2018	735.50	735.50
Accumulated amortisation and impairment		
Balance as at 1st April, 2017	428.09	428.09
Amortisation expense	98.04	98.04
Disposal	-	-
Balance as at 31st March, 2018	526.13	526.13
Net Block		
As at 31st March, 2018	209.37	209.37
As at 31st March, 2017	307.41	307.41

₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April, 2016	735.50	735.50
Balance as at 31st March, 2017	735.50	735.50
Accumulated amortisation and impairment		
Balance as at 1st April, 2016	321.91	321.91
Amortisation expense	106.18	106.18
Balance as at 31st March, 2017	428.09	428.09
Net Block		
As at 31st March, 2017	307.41	307.41
As at 31st March, 2016	413.59	413.59

The Company holds intangible assets comprising SAP licences for the ERP system implemented in the Company. The carrying amount of the assets will be fully amortised over a period of 5 years from the date of acquisition.



Tata Power Trading Company Limited
Notes to the financial statements

6. Non-current Investments

	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
	Numbers	Numbers	₹ Lakhs	₹ Lakhs
Investments carried at fair value				
Unquoted Investments (all fully paid)				
a) Investments in Preference instruments at FVTPL-Tata ceramics Limited	3,00,000	3,00,000	387.00	387.00
Less: Fair value changes			(387.00)	-
			-	387.00
b) Investments in equity instruments at FVTPL-Power Exchange India Limited	25,00,000	25,00,000	250.00	250.00
Less: Fair value changes			(250.00)	(250.00)
			-	-
			-	-
Total Aggregate Unquoted Investments			-	387.00

- i) 3,00,000 7.25% of Redeemable Cumulative Convertible Preference Shares of ₹ 100 each fully paid up in Tata Ceramics Limited
ii) 25,00,000 equity share of ₹ 10 each fully paid up in Power Exchange India Limited

7. Trade Receivables

	As at	As at
	31st March, 2018	31st March, 2017
	₹ Lakhs	₹ Lakhs
Current Trade Receivables		
Considered good (refer note 28)	14,749.32	48,703.13
Considered doubtful	597.11	686.02
	15,346.43	49,389.15
Less: Allowance for Doubtful Trade Receivables	(597.11)	(686.02)
Total	14,749.32	48,703.13

The credit period on sale of power is upto 60 days. Thereafter, interest is charged at 15% to 18% per annum 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. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix computed as per historical experience and expected credit loss.

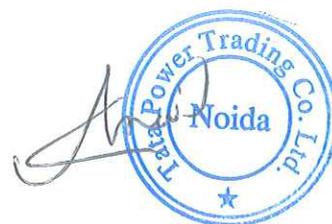
Age of receivables

	₹ Lakhs	
	As at	As at
	31st March, 2018	31st March, 2017
Within the credit period	7,085.97	21,034.60
1-30 days past due	4,819.56	2,946.78
31-60 days past due	243.32	4,321.67
61-90 days past due	72.28	2,500.52
More than 90 days past due	3,125.30	18,585.58
Total	15,346.43	49,389.15



Tata Power Trading Company Limited
Notes to the financial statements

Movement in the expected credit loss allowance	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Balance at the beginning of the year	686.02	771.78
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(88.91)	(85.76)
Balance at the end of the year	597.11	686.02
8. Other Financial Assets		
	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Current		
(i) Security Deposits		
Unsecured, considered good		
Security Deposits	723.56	1,026.45
Unsecured, considered doubtful		
Security Deposits	5.00	5.00
Less: Provision	(5.00)	(5.00)
	723.56	1,026.45
Receivable on sale of property plant and equipment	-	0.53
Interest accrued on fixed deposit	1.52	-
	1.52	0.53
Unsecured, considered good		
Advances (refer note 28)	17,252.50	487.19
Unsecured, considered doubtful		
Advances	59.46	100.93
Less: Provision for doubtful advances	(59.46)	(100.93)
	17,252.50	487.19
	17,977.58	1,514.17
9. Non-current tax Assets		
	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Non-current tax assets		
Advance Income-tax (Net of provision)	219.22	92.20
	219.22	92.20



Tata Power Trading Company Limited
Notes to the financial statements

10. Other Assets

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Non-current		
(i) Capital Advances Unsecured, considered good	-	221.75
(ii) Unamortised Premium for Leasehold Land Unsecured, considered good	8.40	8.80
	8.40	230.55
Current		
(i) Balances with Government Authorities Unsecured, considered good Advances -indirect tax input credit receivable	2.40	3.24
(ii) Unamortised Premium for Leasehold Land Unsecured, considered good	0.40	0.40
(iii) Other Loans and Advances Unsecured, considered good Prepaid Expenses	7.58	145.75
	10.38	149.39

11. Cash and Cash Equivalents

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
(i) Balances with Banks: In Current Accounts	4.93	810.56
Cash and Cash Equivalents as per Balance Sheet	4.93	810.56
Bank Overdraft (Refer Note No.19)	(2,375.05)	(43.72)
Cash and Cash Equivalents as per Statement of Cash Flows	(2,370.12)	766.84
(ii) Balances with Banks other then (i) above In Deposit Accounts (with original maturity between 3 to 12 months)	91.36	-
	91.36	-



Tata Power Trading Company Limited
Notes to the financial statements

12. Equity - Share Capital

	As at 31st March, 2018		As at 31st March, 2017	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Preference Shares of ₹ 10/- each	1,80,00,000	1,800	1,80,00,000	1,800
		3,800		3,800
Issued and subscribed capital comprises:				
Fully paid equity shares of Rs 10 each.	1,60,00,000	1,600	1,60,00,000	1,600
Total Issued, Subscribed and fully Paid-up Share Capital		1,600		1,600

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2018		As at 31st March, 2017	
	Number	₹ Lakhs	Number	₹ Lakhs
Equity Shares				
At the beginning of the year	1,60,00,000	1,600	1,60,00,000	1,600
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,60,00,000	1,600	1,60,00,000	1,600

(ii) Terms/rights attached to Equity Shares

Fully paid equity shares, which have a par value of ₹ 10, carry one vote per share and carry a right to dividends.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2018		As at 31st March, 2017	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10/- each fully paid				
The Tata Power Company Limited, Holding Company	1,60,00,000	100%	1,60,00,000.00	100%

13. Other Equity

	As at	As at
	31st March, 2018	31st March, 2017
	₹ Lakhs	₹ Lakhs
General Reserve		
Balance at the end of the period	1,355.00	1,355.00
Securities Premium Account		
Balance at the end of the period	2,089.50	2,089.50
Retained Earnings		
Balance at the beginning of the period	10,739.86	10,804.14
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	35.04	(4.89)
Add: Profit for the period	1,499.17	518.33
Less: Payment of dividend on equity share ₹ 2.5 per share (Previous year ₹ 3 per share)	400.00	480.00
Less: Payment of interim dividend on equity share 10 per share (Previous year NIL per share)	1,000.00	-
Less: Tax on Dividend	286.98	97.72
Closing Balance	10,587.09	10,739.86
Deemed capital contribution from Holding company		
Balance at the end of the period	8.30	8.30
Total of Other Equity	14,039.89	14,192.66

Note:

- 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.
- In respect of the year ended 31st March, 2018, the directors via circular resolution no. CR-BM/4/20118 dated 30th March, 2018 have declared the interim dividend of Rs. 6.25 per share on 31st March, 2018 to be paid on fully paid equity shares. The dividend was finally paid on 4th April 2018.



Tata Power Trading Company Limited
Notes to the financial statements

14. Non-current Borrowings

	As at 31st March, 2018		31st March, 2017	
	Non-current	Current	Non-current	Current
	₹ Lakhs	₹ Lakhs	₹ Lakhs	
(i) Secured - At Amortised Cost Term Loans from Banks				
Kotak Mahindra Bank	3,143.56	260.43	3,403.98	248.36
Total	3,143.56	260.43	3,403.98	248.36

(ii) Terms of repayment of outstanding balance of term loans are stated below:

As at 31st March, 2018	Amount outstanding Rs. in Lacs	Repayment terms for outstanding balance	Rate of interest
Kotak Mahindra Bank	490.00	28 equal quarterly installments from 30th June, 2018 to 31st March, 2025	6 months MCLR + 10 basis points i.e. 8.55% as at 31st March, 2018
Kotak Mahindra Bank	1,460.04	37 quarterly installments from 30th June, 2018 to 30th June, 2027	6 months MCLR + 10 basis points i.e. 8.55% as at 31st March, 2018
Kotak Mahindra Bank	1,453.95	41 quarterly installments from 16th April, 2018 to 16th April, 2028	6 months MCLR + 10 basis points i.e. 8.55% as at 31st March, 2018
Total	3,403.99		

As at 31 March, 2017	Amount outstanding Rs. in Lacs	Repayment terms for outstanding balance	Rate of interest
Kotak Mahindra Bank	560.00	32 equal quarterly installments from 30th June, 2017 to 31st March, 2025	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
Kotak Mahindra Bank	1,592.34	41 quarterly installments from 30th June, 2017 to 30th June, 2027	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
Kotak Mahindra Bank	1,500.00	44 quarterly installments from 16th July, 2017 to 16th April, 2028	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
Total	3,652.34		

Security Terms

- (iii) Exclusive charge over the moveable fixed assets of the project (ie., Wind & solar projects) and exclusive charge on project receivables.
- (iv) Balance outstanding as at 31st March, 2018 is Rs. 3,403.99 lakhs (31st March, 2017 - Rs. 3,652.34 lakhs) of which Rs. 260.43 lakhs (31st March, 2017 - Rs. 248.36 lakhs) pertains to current maturities of long term borrowings (see note 14).
- (v) The Company has not defaulted on repayment of loan and interest payment thereon during the current and previous year.



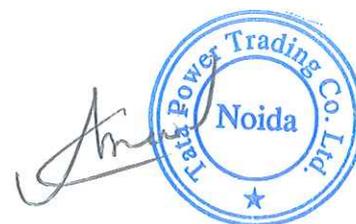
Tata Power Trading Company Limited
Notes to the financial statements

15. Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Current		
(a) Current Maturities of Long-term Debt (Refer note 14)	260.43	248.36
(b) Interest accrued but not due on Borrowings	25.09	27.36
(c) Other Payables		
Payables towards Purchase of Fixed Assets	44.19	653.44
Security Deposits from Customers	540.53	680.31
Security Deposits from Others	5.37	54.82
Total	875.61	1,664.29

16. Provisions

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Non-current		
Provision for Employee Benefits		
Compensated Absences	89.46	100.28
Gratuity	110.19	115.68
Post Employment Medical Benefit	6.00	-
Ex-Gratia and retirement gift	18.21	1.75
Hospitalisation in Service and long service award	22.14	7.50
Total Non-current Provisions	246.00	225.21
Current		
Provision for Employee Benefits		
Compensated Absences	3.46	4.99
Gratuity	1.82	3.57
Ex-Gratia and retirement gift	1.27	-
Hospitalisation in Service and long service award	1.45	-
Other Provisions		
Interim dividend	1,000.00	-
Interim dividend Tax	205.55	-
Total Current Provisions	1,213.55	8.56



Tata Power Trading Company Limited
Notes to the financial statements

17. Deferred Tax Liabilities (Net)

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Deferred Tax Assets	536.01	540.38
Deferred Tax Liabilities	(1,459.02)	(1,051.82)
Total - Net Deferred Tax Liabilities	(923.01)	(511.44)

FY 17-18	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	274.08	(42.93)	-	231.15
Provision for Employee Benefits and Others	43.72	30.29	(18.54)	55.47
MAT Credit entitlement	222.58	26.81		249.39
	540.38	14.17	(18.54)	536.01
Deferred tax liabilities in relation to				
Property, Plant and Equipment	1,051.82	407.20	-	1,459.02
	1,051.82	407.20	-	1,459.02
Net Deferred Tax Liability	511.44	393.03	18.54	923.01

FY 16-17	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred Tax Assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	285.59	(11.51)	-	274.08
Provision for Employee Benefits and Others	28.15	12.98	2.59	43.72
MAT Credit entitlement	447.52	(224.94)		222.58
	761.26	(223.47)	2.59	540.38
Deferred Tax Liabilities in relation to				
Property, Plant and Equipment	1,082.35	(30.53)	-	1,051.82
	1,082.35	(30.53)	-	1,051.82
Deferred Tax Liability	321.09	192.94	(2.59)	511.44



Tata Power Trading Company Limited
Notes to the financial statements

18. Other Current Liabilities

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Current		
Statutory Liabilities	134.75	90.43
Advance payments received from Customers (refer note 28)	10,105.28	436.47
Other Liabilities	1.19	3.59
	10,241.22	530.49

19. Current Borrowings

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Secured - At Amortised Cost		
From Banks		
Bank Overdraft (refer note 1 and 2 below)	2,375.05	43.72
Short-term Loans (refer note 1 and 2 below)	-	14,189.65
	2,375.05	14,233.37
	2,375.05	14,233.37
Security		
1. Secured by a first charge by way of hypothecation of the Company's moveable including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks except project receivables.		
2. The weighted average effective interest rate on the bank loans is 7.34% per annum (as at 31 March, 2017: 8.52% per annum)		

20. Trade payables

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Trade payables (see note below)		
- Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 28)	23,141.31	32,599.43
- Total outstanding dues of micro enterprises & small enterprises	-	-
	23,141.31	32,599.43

Note:

- i. The average credit period is upto 30 days for the company.
- ii. Based on information available with the company, the balance due to micro, small enterprises as defined under the micro, small & medium enterprises development (MSMED) Act, 2006 is Rs Nil (31st March 2017 : Rs Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act 2006. The information provided by the company has been relied upon by the auditors.



Tata Power Trading Company Limited
Notes to the financial statements

21. Revenue from Operations

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
(a) Revenue from Power Supply (refer note 28)	3,71,391.69	4,64,150.05
(Less): Cash Discount	(3,286.66)	(3,979.06)
	3,68,105.03	4,60,170.99
(b) Other Operating Revenue		
(i) Income in respect of Services Rendered	52.64	80.29
(ii) Liabilities no longer required written back	411.35	1.98
(iii) Miscellaneous income	17.25	4.14
(iv) Delayed Payment Charges recovered	16.01	109.10
(v) Provision for Doubtful Debts and Advances (Net)	130.38	33.25
(vi) Other income	409.25	108.76
	1,036.88	337.52
Total Revenue from Operations	3,69,141.91	4,60,508.51

22. Other Income

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
(a) Dividend Income		
Dividend from preference shares	-	21.75
	-	21.75
(b) Gain on Investments		
Gain on Current Investment measured at FVTPL-Mutual Funds	48.66	108.13
	48.66	108.13
(c) Other Non-operating Income		
Interest Income from fixed deposits	1.52	17.40
Other interest	1.78	-
	3.30	17.40
Total Other Income	51.96	147.28



Tata Power Trading Company Limited
Notes to the financial statements

23. Employee Benefits Expense

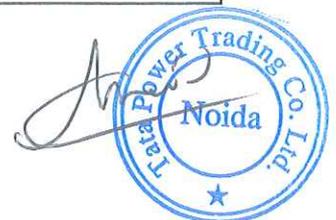
	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Salaries and Wages	856.90	736.12
Contribution to Provident Fund	35.69	30.82
Gratuity Expense (refer note 32)	29.03	24.12
Staff Welfare Expenses	179.37	128.46
	1,100.99	919.52

24. Finance Costs

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
(a) Interest Expense:		
Borrowings		
Interest on Borrowings from Related Parties	1.30	-
Interest on Loans - Banks & Financial Institutions	826.40	1,501.35
Others		
Interest on Bank Overdraft	82.35	185.67
	910.05	1,687.02
Bank charges	103.00	116.54
	103.00	116.54
	1,013.05	1,803.56

25. Other Expenses

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Rental of Land, Buildings, Plant and Equipment, etc.	133.46	123.47
Insurance	1.75	4.90
Other Operation Expenses	139.96	179.05
Travelling and Conveyance Expenses	55.63	72.88
Consultants' Fees	270.95	264.71
Auditors' Remuneration	22.19	31.43
Cost of Services Procured	297.72	253.99
Bad Debts	17.39	-
Brand Equity Expenses	152.69	58.47
Amortisation of Advance Towards Leasehold Land	0.40	0.40
Decrease in fair valuation of investment	387.00	-
Legal Charges	49.44	45.83
Corporate Social Responsibility Expenses	55.05	78.37
Loss on Disposal of Property, Plant and Equipment (Net)	0.97	(0.01)
Miscellaneous Expenses	184.78	169.17
Total	1,769.38	1,282.66
Note:		
Payment to Statutory Auditors comprise (inclusive of GST)*		
- For Audit	13.48	19.55
- For Taxation matters	4.48	2.04
- For Other services	1.47	7.64
- For Reimbursement of expenses	2.76	2.20
Total	22.19	31.43
* Above auditor's remuneration also includes predecessor auditor fees of INR 5.85 Lacs paid for limited review, other services and out of pocket expenses		



Tata Power Trading Company Limited
Notes to the financial statements

26. Income taxes recognised in profit and loss

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Current tax		
In respect of the current year	601.50	224.94
In respect of the previous years	(66.66)	16.05
	534.84	240.99
Deferred tax		
In respect of the current year	419.83	(31.99)
MAT credit utilised	(26.81)	188.76
Total Deferred tax expense	393.02	156.77
Total income tax expense	927.86	397.76

26 .1 The income tax expense for the year can be reconciled to the accounting profit as follows:

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Profit before tax	2,427.03	916.09
Income tax expense calculated at 34.608% (2016-17: 34.608%)	839.95	317.04
Effect of income that is exempt from taxation	-	(7.53)
Effect of expenses that are not deductible in determining taxable profit	162.27	40.87
Effect related to adjustment for previous years	(66.66)	47.38
Effect of items not reclassified to profit & loss account	(18.54)	-
Effect of change in tax rate	10.84	-
	927.86	397.76

The tax rate used for the years 2017-2018 and 2016-17 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian income tax law.

26.2 Income tax recognised in other comprehensive income

Deferred tax	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Arising on income and expenses recognised in other comprehensive income		
Remeasurements of defined benefit obligation	(18.54)	2.59
Total income tax recognised in other comprehensive income	(18.54)	2.59
Bifurcation of the income tax recognised in other comprehensive income into:		
- Item that will not be reclassified to profit or loss	(18.54)	2.59
- Item that may be reclassified to profit or loss	-	-



Tata Power Trading Company Limited
Notes to the financial statements

27. Earnings per share

	For Year ended	For Year ended
	31st March, 2018	31st March, 2017
Basic and Diluted earnings per share	9.37	3.24
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:		
	For Year ended	For Year ended
	31st March, 2018	31st March, 2017
	₹ Lakhs	₹ Lakhs
Profit for the year attributable to owners of the company	1,499.17	518.33
Earnings used in the calculation of basic/ diluted earnings per share (Rs. in Lacs)	1,499.17	518.33
	For Year ended	For Year ended
	31st March, 2018	31st March, 2017
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.	1,60,00,000	1,60,00,000
Note: There are no potential equity shares which are anti-dilutive.		

28. Revision of MPL tariff based on CERC order

The Company has long term contract for purchase of 600 MW of power from Maithon Power Limited (MPL), which has been in turn sold to Tata Power Delhi Distribution Company Limited (TPDDL) and to West Bengal State Electricity Distribution Company Limited (WBSEDCL). MPL bills the Company on the basis of tariff as determined by Central Electricity Regulatory Commission (CERC). The tariff charged by the Company to TPDDL and WBSEDCL is based on CERC determined tariff for MPL.

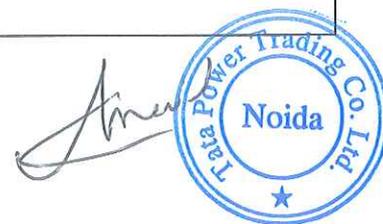
On 27th December 2017, CERC has issued Order with respect to MPL for truing up for the period from FY12 to FY14 and tariff determination for the period from FY 15 to FY19. Based on the CERC Order, MPL has issued a credit note of Rs. 38,653.52 lakhs to the Company and the Company has in turn issued credit notes totaling to Rs. 38,653.52 lakhs on TPDDL and WBSEDCL. On account of these credit notes, Company has reduced Revenue from Power Supply as well as Cost of Power Purchased in the current year by Rs. 38,653.52 lakhs. Correspondingly company has reduced receivable from TPDDL and WBSEDCL and payable to MPL by Rs.38,653.52 lakhs.

29. Segment information

The Company is mainly engaged in the business of trading of electricity 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.

30. Related party disclosures

(a)	Name of related parties and description of relationship:
	Controlling entity (CE):
	The Tata Power Company Limited (TPCL) (Holding Company)
	Fellow subsidiaries (where transactions have taken place during the year):
	(i) Tata Power Delhi Distribution Limited (TPDDL)
	(ii) Maithon Power Limited (MPL)
	(iii) Tata Power Solar Systems Limited (TPSS)
	(iv) Tata Power Renewal Energy Limited (TPREL)
	(v) Costal Gujrat Power Limited (CGPL)
	(vi) Welspun Renewable Energy Limited (WREL)
	(vii) Welspun Solar Kannada Private Limited (WSKPL)
	(viii) Vagarai Windfarms Limited (VWFL)
	Key Management Personnel (KMP)
	(i) Sanjeev Mehra, Managing Director
	(ii) Amey Naik, Chief Financial Officer and Company Secretary



Tata Power Trading Company Limited
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Particulars	Fellow subsidiaries										Total	
	CE											
	TPCL	TPDDL	MPL	TPSS	TPREL	VWFL	WREL	WSKPL	Sub-total			
(ii) Balance outstanding												
Trade receivables	34.84	319.25	13,677.86	18.52	0.36	3.25	0.35	0.04	14,019.63		14,054.47	
As at 31.03.2018	26.47	7,841.17	-	-	-	-	-	-	7,841.17		7,867.64	
As at 31.03.2017	-	-	-	-	0.30	-	-	-	-	-	-	0.53
Receivable on sale of property, plant and equipment (PPE)												
As at 31.03.2018	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	0.23	-	-	-	-	-	-	-	0.30	-	-	0.53
Capital advances												
As at 31.03.2018	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	-	-	-	221.75	-	-	-	-	221.75	-	-	221.75
Payable on purchase of property, plant and equipment (PPE)												
As at 31.03.2018	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	-	-	0.11	524.37	-	-	-	-	524.48	-	-	524.48
Security Deposit payable												
As at 31.03.2018	-	-	-	-	-	-	1.56	0.27	1.83	-	1.83	-
As at 31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables												
As at 31.03.2018	1,811.03	9,713.39	172.28	27.16	-	-	-	-	9,912.83		11,723.86	
As at 31.03.2017	1,394.00	-	5,303.19	-	-	-	-	-	5,303.19		6,697.19	
Dividend Payable												
As at 31.03.2018	1,000.00	-	-	-	-	-	-	-	-	-	1,000.00	-
As at 31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-



Tata Power Trading Company Limited
Notes to the financial statements

31. Categories of financial instrument

31.1 Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying value		Fair Value	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Financial assets				
Cash and Cash Equivalents	4.93	810.56	4.93	810.56
Other Balances with banks	91.36	-	91.36	-
Trade Receivables	14,749.32	48,703.13	14,749.32	48,703.13
Unbilled Revenues	19,523.71	11,344.15	19,523.71	11,344.15
Designated as at FVTPL -Investment in unquoted equity and preference shares.	-	387.00	-	387.00
Other financial assets	17,977.58	1,514.17	17,977.58	1,514.17
Total	52,346.90	62,759.01	52,346.90	62,759.01
Financial liabilities				
Trade Payables	23,141.31	32,599.43	23,141.31	32,599.43
Floating rate borrowings*	3,429.08	3,679.70	3,429.08	3,679.70
Other financial liabilities	590.09	1,388.57	590.09	1,388.57
	27,160.48	37,667.70	27,160.48	37,667.70

* Includes current maturities of long term debts and interest accrued but not due on borrowing.

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Considering the sustained losses in the companies in which the investment is held, fair value of the unquoted equity shares have been estimated using an Adjusted Net Asset Value Method. The valuation requires management to make certain assumptions about the model inputs, including realisable value of assets. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted investments.

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2018 and 31st March 2017 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares of Power Exchange India Limited	Net Asset Value Method	None	N.A	-
FVTPL assets in unquoted preference shares of Tata Ceramics Limited	Adjusted Net Asset Value Method	Realisable Value of Finished Goods	25% of carrying value	If considered at 100%, the fair value will be negative

Reconciliation of fair value measurement of unquoted shares classified as Fair value through profit and loss assets

Particulars	₹ Lakhs	
	31st March 2018	31st March 2017
Opening balance	387.00	365.25
Decrease in fair value of investment at FVTPL	(387.00)	21.75
Closing balance	-	387.00



Tata Power Trading Company Limited
Notes to the financial statements

31.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price.
Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes and investment in redeemable non-cumulative preference shares and equity shares.
Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

		Fair value hierarchy as at 31st March, 2018			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Date of valuation					
Asset measured at fair value					
FVTPL financial investments					
	Investment in equity shares of Power Exchange India Limited	-	-	-	-
	Investment in preference shares of Tata Ceramics Limited	-	-	-	-
		-	-	-	-
Liabilities for which fair values are disclosed					
	Floating rate borrowings	-	3,403.99	-	3,403.99
Total		-	3,403.99	-	3,403.99
		Fair value hierarchy as at 31st March, 2017			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Date of valuation					
Asset measured at fair value					
FVTPL financial investments					
	Investment in equity shares of Power Exchange India Limited	-	-	-	-
	Investment in preference shares of Tata Ceramics Limited	-	-	387.00	387.00
		-	-	387.00	387.00
Liabilities for which fair values are disclosed					
	Floating rate borrowings	-	3,652.34	-	3,652.34
Total		-	3,652.34	-	3,652.34

31.3 Capital Management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 60%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.



Tata Power Trading Company Limited
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Gearing ratio

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

	₹ Lakhs	
	31st March, 2018	31st March, 2017
Debt (i)	5,779.04	17,885.71
Less: Cash and Bank balances	96.29	810.56
Net debt	5,682.75	17,075.15
Total Capital (ii)	15,639.89	15,792.66
Capital and net debt	21,322.64	32,867.81
Net debt to Total Capital plus net debt ratio (%)	26.65	51.95

- (i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.
- (ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company has been monitoring Net debt to Total Capital plus net debt ratio during the year as against Net debt to equity ratio monitored in the previous year. However, there is no change in the overall objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

31.4 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables and other financial assets that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk, price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analyses in the following sections relate to the position as at 31st March, 2018 and 31st March, 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt as at 31st March, 2018. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates

Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	₹ Lakhs			
	As of 31st March, 2018		As of 31st March, 2017	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	18.18	(18.18)	18.26	(18.26)
Effect on profit before tax	(18.18)	18.18	(18.26)	18.26

Price Risk

The Company is exposed to equity /preference price risks arising from equity/preference instrument investments. These investments are held for strategic purpose.

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

	₹ Lakhs	
	As of 31st March, 2018	As of 31st March, 2017
Investment in equity Instrument	-	-
Investment in preference Instrument	-	387.00

For the year ended 31st March, 2018 and 31st March, 2017 every 0.50 percentage increase /decrease in the value of investments, will affect the Company's profit before Tax by Rs. Nil and Rs. 1.94 Lacs respectively



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Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). Credit exposure is controlled by counter party limits for major counter parties that are reviewed and approved by the Management regularly. Ongoing credit evaluation is performed based on the financial condition of receivables and the collaterals are held as security in some of the cases. The Company generally deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment as listed below:

	31st March, 2018	31st March, 2017
Trade receivables	14,749.32	48,703.13
Other financial assets	17,977.58	1,514.17
Total	32,726.90	50,217.30

Refer note 7 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	₹ Lakhs				
	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2018					
Non-Derivatives					
Borrowings*	2,660.57	1,290.58	1,852.98	5,804.13	5,804.13
Interest on above borrowings	280.17	867.40	375.58	1,523.15	1,523.15
Trade Payables	23,141.31	-	-	23,141.31	23,141.31
Other Financial Liabilities	590.09	-	-	590.09	590.09
Total Non-Derivative Liabilities	26,672.14	2,157.98	2,228.56	31,058.68	31,058.68
31st March, 2017					
Non-Derivatives					
Borrowings*	14,509.09	1,188.62	2,215.37	17,913.08	17,913.08
Interest on above borrowings	304.70	978.95	553.11	1,836.76	1,836.76
Trade Payables	32,599.43	-	-	32,599.43	32,599.43
Other Financial Liabilities	1,388.57	-	-	1,388.57	1,388.57
Total Non-Derivative Liabilities	48,801.79	2,167.57	2,768.48	53,737.84	53,737.84

* Includes current maturities of long term debts and interest accrued but not due on borrowing.

The Company has access to financing facilities as described in note below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

Financing facilities

Secured Long term facility with various maturity dates through to 16th April, 2028.

Amount used
Amount unused

Secured bank overdraft and other loan facilities

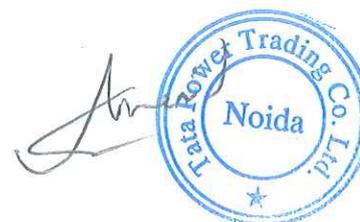
Amount used
Amount unused

	₹ Lakhs	
	31st March, 2018	31st March, 2017
Amount used	3,403.99	3,652.34
Amount unused	300.00	342.00
Amount used	2,375.05	14,233.37
Amount unused	30,680.95	18,766.63

31.5 Excessive risk concentration

Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's risk management policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to manage business concentration credit risk. Identified concentrations of credit risks are controlled and managed accordingly.



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Notes to the financial statements

32. Employee benefit plan

32.1 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 Rs. 35.69 Lakhs (for the year ended 31st March, 2017 Rs. 30.82 Lakhs) and represents contribution payable to the Employee Provident Fund. As at 31st March, 2018, contribution of Rs. 9.39 Lakhs (as at 31st March, 2017 Rs. 7.76 Lakhs) due in respect of FY 2017-18 (FY 2016-17) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

32.2 Defined benefit plan

The Company operates the following unfunded defined benefit plans:

Post Employment Medical Benefits

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Gratuity

The Group has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date

Risks associated with Plan Provisions

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

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period of government bonds.

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.

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.

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

Withdrawals

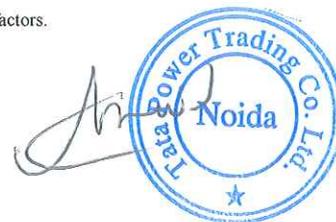
Actual Withdrawals providing higher or lower than assumed withdrawals and change of withdrawal rate at subsequent valuations can impact plan's liability.

Principal actuarial assumptions for all the unfunded defined benefits plans:

	As at 31-Mar-18	As at 31-Mar-17
Discount rate (p.a.)	7.70%	7.40%
Expected rate of salary increase (p.a.)	7.00%	8.00%

Note:

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



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Demographic assumptions:

	As at 31-Mar-18	As at 31-Mar-17
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate (p.a.) (age 21 to 44 years)	2.50%	5.00%
Withdrawal rate (p.a.) (above 45 years of Age)	1.00%	5.00%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

	Rs. in Lakhs	
	As at 31-Mar-18	As at 31-Mar-17
Service Cost		
Current Service cost	22.89	17.23
Past Service cost	42.00	-
Net interest expense	10.29	7.36
Component of defined benefit costs recognised in profit or loss	75.18	24.59

Remeasurement on the net defined benefit liability :

Actuarial (Gains)/losses arising from changes in demographic assumptions	25.16	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(31.33)	9.48
Actuarial (Gains)/losses arising from experience adjustment	(47.41)	(2.74)
Components of defined benefit costs recognised in other comprehensive	(53.58)	6.74
Total	21.60	31.33

The current service cost and the net interest expense for the year are included in "Employee benefits expense" in the Statement of Profit and Loss.
The remeasurement of the net defined liability is included in other comprehensive income

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

	Rs. in Lakhs	
Particulars	As at 31-Mar-18	As at 31-Mar-17
Present value of funded defined benefit obligation	(137.49)	(121.00)
Fair value of plan assets	-	-
Funded status (deficit)	(137.49)	(121.00)

Movements in the present value of the defined benefit obligations are as follows:

	Rs. in Lakhs	
	As at 31-Mar-18	As at 31-Mar-17
Opening defined benefit obligations	120.99	92.05
Service cost	64.89	17.23
Interest cost	10.29	7.36
Actuarial losses arising from changes in demographic assumptions	25.16	-
Actuarial (gains)/losses arising from changes in financial assumptions	(31.33)	9.48
Actuarial gains arising from experience adjustment	(47.41)	(2.74)
Benefits paid	(5.10)	(2.37)
Closing defined benefit obligation	137.49	121.01



Tata Power Trading Company Limited
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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

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) (% change compared to base due to sensitivity)	11.98 (8.71%)	(10.66) 7.75%	9.64 (7.96%)	(7.79) 6.43%
Growth Rate (-/+0.5%) (% change compared to base due to sensitivity)	(10.39) 7.55%	11.56 -8.41%	(7.80) 6.44%	9.46 (7.82%)
Mortality Rate (-/+1 year) (% change compared to base due to sensitivity)	(0.28) 0.20%	0.28 (0.20%)	0.01 (0.01%)	(0.01) 0.01%
Withdrawal Rate (-/+5%) (% change compared to base due to sensitivity)	5.68 (4.13%)	(22.37) 16.27%	0.04 (0.04%)	(0.04) 0.04%

The expected maturity analysis of defined benefit obligation by respective end of financial year's (valued on undiscounted basis) are as follows:

	(Rs. in Lakhs)	
	31-Mar-18	31-Mar-17
March 31st, 2019	3.21	3.82
March 31st, 2020	3.89	14.79
March 31st, 2021	22.34	3.89
March 31st, 2022	5.12	4.02
March 31st, 2023	6.11	25.04
March 31st, 2024 to March 31st, 2028	49.68	348.37
	90.35	399.93
	31-Mar-18	31-Mar-17
	8.1 years	13 years

The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)

33 Contingent Liabilities

The Company does not have any pending litigations which would impact its financial position.

34 Capital Commitments

As on reporting date there are no capital commitment.

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

36 Corporate Social Responsibility

Gross amount required to be spent by the Company during the year ended 31st March, 2018: Rs. 54.81 Lakhs (Previous year Rs. 78.33 Lakhs)

Amount spent during the year ended 31st March, 2018: Rs. 55.05 Lakhs

	Rs in Lakhs		
	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	55.05	-	55.05
	(78.37)	(-)	(78.37)
iii) Details of related party transaction			
- Contribution during the year ended 31st March, 2017	-	-	-
	(-)	(-)	(-)
- Payable as at 31st March, 2018	-	-	-
	(-)	(-)	(-)

* Figure in brackets pertain to the previous year



Tata Power Trading Company Limited
Notes to the financial statements

36 Approval of financial Statements

The Financial Statements for the year ended March 31, 2018 were approved by board of directors and authorised for issue on April 25, 2018

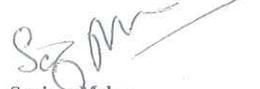
As per our report of even date
For S.R.Batlboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005


per Sanjeev Kumar Singhal
Partner
Membership No. 95377

For and on behalf of the Board of Directors



S. Ramakrishnan
Chairman



Sanjeev Mehra
Managing Director



Aney Naik
Chief Financial Officer & Company Secretary

Place: New Delhi
Date: 25th April, 2018



Place: Noida
Date: 25th April, 2018

