MAITHON POWER LIMITED

S.R. BATLIBOI & CO. LLP
Chartered Accountants

22, Camac Street,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Maithon Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Maithon Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Accrual of regulated assets/regulated liability</u> (as described in Other Assets-Current note 10 (iii) of the Ind AS financial statements)</td></tr>
<tr><td>The Company's revenue recognition is guided by the tariff norms prescribed by the Central Electricity Regulatory Commission (CERC) guidelines and the tariff orders passed based on these regulations. Consequently, regulatory assets/ liabilities are recognized for items which are subject matter of true up in future tariff orders. Judgement is exercised by management in estimating recoverability of such regulatory assets in the books. As on 31st March 2019, the Company is carrying an amount of Rs. 25,835.92 lacs as regulatory assets (Net of Regulatory Liability of Rs 15,867.95 lacs) which is material to the financial statements of the Company. Considering the judgements involved in the estimates of various elements of capital and operational costs used in the computation of revenue as per applicable regulations and the amount involved we have determined this to be a key audit matter.</td><td>Following procedures have been performed to address this key audit matter:-
1. We have carried out testing of the design and implementation as well as the operating effectiveness of key controls related to the valuation and recoverability of such regulated assets/ liabilities.
2. We have evaluated the estimation by management of recognition of these regulatory assets/ liabilities with reference to tariff orders on similar matters in earlier years and also the underlying records of the Company.
3. We discussed with management to understand their assessment on each of the qualitative factors and ensured consistency of the management's explanation with the underlying documentation, rules and regulations.
4. We have re-calculated the workings obtained from the management to check the arithmetical accuracy of the calculations.
5. We have analysed the responses received from the legal counsel of the Company in respect of certain matters constituting the net regulatory assets and noted the merits of the management contention.
6. We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Recoverability of MAT Credit Entitlement in future *(as described in note 20d of the Ind AS financial statements)*	
The Company does not have taxable income owing to unabsorbed depreciation and therefore it has been paying Minimum Alternate Tax (MAT) under the relevant provisions of the Income Tax Act, 1961. The Act also provides that such MAT paid can be carried forward (MAT credit entitlement) for set off against regular tax payable in subsequent fifteen year period. Such MAT credit entitlement are recognized when it is probable that normal taxable profit will be available against which these MAT credits can be utilized. The Company's ability to recognize these MAT credit assets is assessed by management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the land in force. The assumptions on these projections are determined by management. At March 31, 2019, MAT credit entitlement recognized in the Company's financial statements totaled Rs. 28,926.05 lacs. Given the degree of judgment involved in making a forecast of the profitability of the Company and the materiality of the amounts involved, we deemed this issue to be a key audit matter.	Following procedures have been performed to address this key audit matter:- • We have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit. • We have assessed the appropriateness of the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. • We have assessed the likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income. • We have re-calculated the future taxability workings obtained from the management to check the arithmetical accuracy of the working. • We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 to the Ind AS financial statements;

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

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

T. Das Mahapatra

per Tanmoy Das Mahapatra
Partner
Membership Number: 058259
Place of Signature: Mumbai
Date: April 17, 2019

"ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAITHON POWER LIMTED

(i)

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

(b) The company has a program of verification of fixed assets to cover all the items in a phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were identified on such verification.

(c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land which are freehold, are in the name of the company as at the balance sheet date, except the following:

Type of Land	Area	In lakh	Remarks
Raiyati Land (Free hold) located at Maithon, Jharkhand.	564.67 acres	15,980.05	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). Pending transfer of title as per the shareholders agreement, the Company had entered into an Indenture deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company).
Railway Land (Freehold Land) located at Maithon, Jharkhand.	69.16 acres	13,712.09	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). As required by the shareholders agreement, DVC is in the process of transferring title in these lands in favour of the Company as per applicable laws of the State of Jharkhand.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(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, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanation given to us 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)

(a) The Company is regular in depositing with appropriate authorities 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 applicable to it with appropriate authorities.

(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, goods and service 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 to us by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders. The Company did not have any outstanding loans or borrowing in respect of financial institution and government.

(ix) 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. The term loan have been applied by the company during the year for the purpose for which they were raised.

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or no material 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, 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

T. Das Mahapatra

per Tanmoy Das Mahapatra
Partner
Membership Number: 058259
Place of Signature: Mumbai
Date: April 17, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF [MAITHON POWER LIMTED

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 Maithon Power Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, 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

T. Das Mahapatra

per Tanmoy Das Mahapatra
Partner
Membership Number: 058259
Place of Signature: Mumbai
Date: April 17, 2019

MAITHON POWER LIMITED
Balance Sheet as at 31st March, 2019

	Notes	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	5	3,33,715.84	3,55,144.57
(b) Capital Work-in-Progress		36,028.44	26,825.45
(c) Intangible Assets	6	49.32	2.22
(d) Financial Assets			
(i) Loans	7	24.78	23.42
(ii) Other Financial Assets	8	33.87	31.48
(e) Non-current Tax Assets (Net)	9	975.00	1,027.91
(f) Other Non-current Assets	10	10,451.27	8,251.28
Total Non-current Assets		3,81,278.52	3,91,306.33
Current Assets			
(a) Inventories	11	21,846.08	10,977.26
(b) Financial Assets			
(i) Investments	12	-	9,853.65
(ii) Trade Receivables	13	36,298.99	26,363.09
(iii) Unbilled Revenue		9,879.01	4,019.15
(iv) Cash and Cash Equivalents	14	10.21	5,009.70
(v) Loans	7	2.40	2.40
(c) Other Current Assets	10	36,712.79	16,829.03
Total Current Assets		1,04,749.48	73,054.28
Total Assets		**4,86,028.00**	**4,64,360.61**
Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	1,50,891.77	1,50,891.77
(b) Other Equity	16	57,169.06	47,410.87
Total Equity		2,08,060.83	1,98,302.64
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,75,954.04	1,94,228.31
(ii) Other Financial Liabilities	18	928.91	778.60
(b) Provisions	21	519.83	735.36
(c) Deferred Tax Liabilities (Net)	20	1,433.95	631.00
(d) Other Non-current Liabilities	22	1,697.45	1,697.45
Total Non-current Liabilities		1,80,534.18	1,98,070.72
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	46,097.70	2,818.21
(ii) Trade Payables	19	16,180.08	15,133.05
(iii) Other Financial Liabilities	18	31,196.32	49,313.10
(b) Provisions	21	534.74	119.39
(c) Current Tax Liabilities (Net)	9	1,259.21	-
(d) Other Current Liabilities	22	2,164.94	603.50
Total Current Liabilities		97,432.99	67,987.25
Total Liabilities		2,77,967.17	2,66,057.97
Total Equity and Liabilities		**4,86,028.00**	**4,64,360.61**

See accompanying notes to the Financial Statements **1-42**

As per our report of even date

For S.R.Batliboi & Co LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Tanmoy Das Mahapatra
Partner
Membership No: 058259
Place: Mumbai
Date: 17th April, 2019

For and on behalf of the Board,

Ashok Sethi
Chairman
Place: Mumbai
Date: 17th April, 2019

Suvamay Halder
Director
Place: Mumbai
Date: 17th April, 2019

Poonam Shirke
Company Secretary
Place: Mumbai
Date: 17th April, 2019

Ramesh Jha
Chief Executive Officer
Place: Mumbai
Date: 17th April, 2019

Satish Kumar
Chief Financial Officer
Place: Mumbai
Date: 17th April, 2019

MAITHON POWER LIMITED

Statement of Profit and Loss for the year ended 31st March, 2019

	Notes	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
(I) Revenue from Operations	24	2,77,605.28	2,27,041.41
(II) Other Income	25	6,505.14	1,877.95
(III) **Total Income**		**2,84,110.42**	**2,28,919.36**
(IV) **Expenses**			
Cost of Power Purchased		140.47	204.06
Cost of Fuel		1,76,984.52	1,35,044.58
Employee Benefits Expense	26	4,118.11	4,375.30
Finance Costs	27	20,484.88	20,405.93
Depreciation and Amortisation Expenses	28	23,824.33	23,739.74
Other Expenses	29	22,685.99	22,910.87
Total Expenses		**2,48,238.30**	**2,06,680.48**
(V) **Profit Before Tax**		**35,872.12**	**22,238.88**
(VI) **Tax Expense**	30		
Current Tax		7,779.54	3,374.72
MAT Credit		(11,850.05)	(7,345.45)
Deferred Tax		12,653.00	8,040.15
		8,582.49	4,069.42
(VII) **Profit For The Year**		**27,289.63**	**18,169.46**
(VIII) **Other Comprehensive Income**			
Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		(48.32)	(7.83)
(ii) Tax relating to items that will not be reclassified to profit or loss			
(a) Current Tax		16.89	2.71
Total Other Comprehensive Income		(31.43)	(5.12)
(IX) **Total Comprehensive Income for the year (IX+ X)**		**27,258.20**	**18,164.34**
(X) **Earnings Per Equity Share (Face Value ₹ 10/- Per Share)**	32		
(i) Basic (₹)		1.81	1.20
(ii) Diluted (₹)		1.81	1.20
See accompanying notes to the Financial Statements	**1-42**		

As per our report of even date

For S.R.Batliboi & Co LLP
Chartered Accountants
ICAI Firm registration number: **301003E/E300005**

T. Das Mahapatra

Tanmoy Das Mahapatra
Partner
Membership No: 058259
Place: Mumbai
Date: 17th April, 2019

For and on behalf of the Board,

Ashok Sethi

Ashok Sethi
Chairman
Place: Mumbai
Date: 17th April, 2019

Suvamay Halder
Director
Place: Mumbai
Date: 17th April, 2019

Poonam Shirke
Company Secretary
Place: Mumbai
Date: 17th April, 2019

Ramesh Jha

Ramesh Jha
Chief Executive Officer
Place: Mumbai
Date: 17th April, 2019

Satish Kumar
Chief Financial Officer
Place: Mumbai
Date: 17th April, 2019

MAITHON POWER LIMITED

Statement of Changes in Equity for the year ended 31st March,2019

A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	₹ Lakhs Amount
Balance as at 1st April,2017	1,50,89,17,729	1,50,891.77
Issue of Equity Shares during the year	-	-
Balance as at 31st March,2018	1,50,89,17,729	1,50,891.77
Balance as at 1st April,2018	1,50,89,17,729	1,50,891.77
Issue of Equity Shares during the year	-	-
Balance as at 31st March,2019	1,50,89,17,729	1,50,891.77

B. Other Equity

₹ Lakhs

	Reserves and Surplus		
	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	**2,635.87**	**34,522.50**	**37,158.37**
Profit for the year	-	18,169.46	18,169.46
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	(5.12)	(5.12)
Total Comprehensive Income	-	**18,164.34**	**18,164.34**
Dividend paid	-	(6,646.86)	(6,646.86)
Dividend Distribution Tax	-	(1,264.98)	(1,264.98)
Transfer to Debenture Redemption Reserve	3,420.04	(3,420.04)	-
	3,420.04	**(11,331.88)**	**(7,911.84)**
Balance as at 31st March,2018	**6,055.91**	**41,354.96**	**47,410.87**
Balance as at 1st April,2018	**6,055.91**	**41,354.96**	**47,410.87**
Profit for the year	-	27,289.63	27,289.63
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	(31.43)	(31.43)
Total Comprehensive Income	-	**27,258.20**	**27,258.20**
Dividend paid	-	(14,516.16)	(14,516.16)
Dividend Distribution Tax	-	(2,983.84)	(2,983.84)
Transfer to Debenture Redemption Reserve	3,420.04	(3,420.04)	-
	3,420.04	**(20,920.04)**	**(17,500.00)**
Balance as at 31st March,2019	**9,475.95**	**47,693.12**	**57,169.07**

See accompanying notes to the Financial Statements **1-42**

As per our report of even date

For S.R.Batliboi & Co LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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Tanmoy Das Mahapatra
Partner
Membership No: 058259
Place: Mumbai
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Ramesh Jha
Chief Executive Officer
Place: Mumbai
Date: 17th April, 2019

Satish Kumar
Chief Financial Officer
Place: Mumbai
Date: 17th April, 2019

MAITHON POWER LIMITED

Statement of Cash Flows for the period ended 31st March,2019

		For the period ended 31st March,2019 ₹ Lakhs		For the period ended 31st March, 2018 ₹ Lakhs
A. Cash Flow from Operating Activities				
Profit before tax		**35,872.12**		**22,238.88**
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and Amortisation Expense	23,824.33		23,739.74	
Interest Income	(26.48)		(143.24)	
Delayed Payment Charges	(5,863.87)			
Finance Cost	20,484.88		20,405.93	
(Gain)/loss on disposal of property, plant and equipment	3.01		7.02	
Gain/loss on Sale of Current Investments (Including fair value change)	(371.66)		(1,311.51)	
Amortization of Leasehold Land	600.92		414.65	
		38,651.13		**43,112.59**
		74,523.25		65,351.47
Working Capital Adjustments				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(10,868.81)		517.97	
Trade receivables	(9,935.80)		2,083.84	
Other current assets	(15,503.08)		(6,986.88)	
Other non-current assets	(1,673.73)		-	
Unbilled revenue	4.01		(682.05)	
Other Financial Assets - Current	(0.16)		-	
Other Financial Assets - Non Current	(3.75)		0.69	
Movement in operating asset		**(37,981.42)**		**(5,066.43)**
		36,541.83		60,285.04
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	1,046.99		2,939.10	
Other current liabilities	(228.86)		280.45	
Short-term provisions	367.03		(65.41)	
Long-term provisions	(215.54)		298.64	
Other Financial Liabilities - Current	(31,318.64)		(9,646.65)	
Movement in operating liability		**(30,349.02)**		**(6,193.87)**
Cash flow from/(used in) operations		6,192.81		54,091.17
Income tax paid		(6,467.42)		(4,089.00)
Net Cash Flow from/(used) in Operating Activities		(274.61)		50,002.17
B. Cash Flow from Investing Activities				
Capital expenditure on fixed assets, including capital advances	(12,654.33)		(6,638.88)	
Proceeds from sale of fixed assets	3.99		14.30	
Purchase of Current Investments	(2,19,595.66)		(2,60,956.00)	
Proceeds from Sale of Current Investments	2,29,822.75		2,88,303.64	
Interest Earned	26.48		143.24	
Loan given to Employees (Net)	-		(1.41)	
Bank Balance not considered as Cash and Cash Equivalents (Deposits)	-		0.10	
Net Cash Flow from/(used) in Investing Activities		(2,396.77)		20,864.99
C. Cash flow from Financing Activities				
Interest and Other Borrowing Costs	(19,808.90)		(20,829.03)	
Proceeds from Long term borrowings	-		1,30,400.00	
Repayment of Long term borrowings	(18,814.00)		(1,49,213.29)	
Proceeds from Short term borrowings	2,22,209.29		52,797.92	
Repayment of Short term borrowings	(1,78,914.50)		(56,102.03)	
Dividend paid (including DDT)	(7,000.00)		(22,912.86)	
Net Cash Flow from/(used) in Financing Activities		(2,328.11)		(65,859.29)
Net Increase in Cash and Cash Equivalents		**(4,999.49)**		**5,007.87**
Cash and Cash Equivalents as at 1st April		**5,009.70**		**1.83**
Cash and Cash Equivalents as at end of the period		**10.21**		**5,009.70**

Notes:

Cash and Cash Equivalents include:	As at 31st March,2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
(i) Balances with banks		
In current accounts	10.21	5,009.70
	10.21	5,009.70

See accompanying notes to financial statements 1-42

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage

In terms of our report attached.

For S.R.Batliboi & Co LLP
Chartered Accountants
ICAI Firm registration number: **301003E/E300005**

T. Das Mahapatra

Tanmoy Das Mahapatra
Partner
Membership No: 058259
Place: Mumbai
Date: 17th April, 2019

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Ramesh Jha

Ramesh Jha
Chief Executive Officer
Place: Mumbai
Date: 17th April, 2019

Satish Kumar
Chief Financial Officer
Place: Mumbai
Date: 17th April, 2019

1. Corporate Information

MAITHON POWER LIMITED ('the Company'), has been set up pursuant to an agreement entered into between The Tata Power Company Limited (TPCL) and Damodar Valley Corporation (DVC) with 74% and 26% shareholding respectively, to operate and maintain Electric power generating stations. The Company has set up a thermal power generation plant (comprising of two units of 525 MW each namely 'Unit I and Unit II') at Maithon, Jharkhand with a total capacity of 1050 MW. Unit I and Unit II of the project were commissioned on 1 September, 2011 and 24 July, 2012 respectively. The registered office of the Company is Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai 400009, Maharashtra, India.

2.1 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 read with section 133 of the Companies Act, 2013 (the Act) (as amended from time to time).

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value.

Land classified under property, plant and equipment on transition from earlier GAAP to IND AS.

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Company had appointed a professional valuer in a previous year, to determine the fair value by using appropriate valuation techniques and inputs for fair value.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The cross functional team of the Group works closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

2.3 Use of Estimates

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available 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 recognized 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.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 30
Regulatory deferral accounts - Note 10
Estimation of values of contingent liabilities - Note 35
Estimation on recoverability of Late Payment Surcharge(LPSC) – Note 24

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Valuation of deferred tax assets:

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 30

MAT

The company estimates that MAT credit will be utilized from 2027-28 to 2031-32, has been mentioned in Note 20.

3. Other Significant Accounting Policies

3.1 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 Lessee

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 recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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.

3.2 Foreign Currencies

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

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognized 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.

3.3 Current Vs Non Current

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

3.4 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.

3.5 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 recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.6 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.

3.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Company 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 recognized immediately in statement of profit and loss.

3.9 Financial Assets

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

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

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.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Impairment of financial assets (other than at fair value)

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.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i. the right to receive cash flows from the asset have expired, or
ii.the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.10 Financial liabilities

All financial liabilities are recognised easily at fair value and in case of loans and borrowings and payables, net of directly attributable transaction cost.

Financial Liabilities subsequently measured at ammortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost
Financial liabilities 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 intial recognition.

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

3.11 Dividend Distribution to equity shareholders of the company

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.
In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3.12 Changes in accounting policies and disclosure

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2018. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period. (Refer note 14 to the financial statements for the year ended

Implementation of Ind AS 115

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any impact on the recognition and measurement of revenue and related items.

Late Payment Charges

Delayed payment charges including interest thereon earlier accounted for when recovered is now accounted for based on assesment of certainity. Refer note 24 for further details.

4. Standards issued but not effective

IND AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from present accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements, which is not expected to be material.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

5. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (Net of 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.

Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation

Depreciation commences when the assets are ready for their intended use.

Regulatory Assets

Depreciation on building, plant and equipment in respect of electricity business of the Company is covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology required by relevant provisions of Central Electricity regulatory Comission.

Non-Regulatory Assets:

Depreciation is recognized so as to depreciate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Useful life is prescribed in the schedule II of the Companies Act 2013 has been considered except for certain assets, where useful life is considered based on the technical evaluation done by the company.

Useful lives of tangible assets:

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.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Lives
Buildings-Plant	25 Years
Buildings-Others	25 Years
Plant and Equipment	25 Years
Computer	3 Years
Furniture and Fixtures	5 to 10 years
Office Equipment	5 to 13 years
Motor vehicles etc	5 Years

Derecognition of tangible assets

A tangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a tangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

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 Companies 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.

5. Property, Plant and Equipment (Continued)

₹ Lakhs

Description	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost								
Balance as at 1st April,2018	29,692.14	24,513.49	17,642.71	4,23,864.89	1,340.81	714.72	320.71	4,98,089.47
Additions	172.21	597.37	151.31	1,441.47	16.93	-	14.65	2,393.94
Disposals	-	-	-	17.35	-	17.03	46.99	81.37
Balance as at 31st March,2019	**29,864.35**	**25,110.86**	**17,794.02**	**4,25,289.01**	**1,357.74**	**697.69**	**288.37**	**5,00,402.04**
Accumulated depreciation								
Balance as at 1st April,2018	-	4,478.34	2,162.50	1,34,718.79	759.61	617.37	208.29	1,42,944.90
Depreciation Expense	-	827.80	586.56	22,204.35	128.97	29.52	38.47	23,815.67
Eliminated on disposal of assets	-	-	-	12.70	-	17.03	44.64	74.37
Balance as at 31st March,2019	**-**	**5,306.14**	**2,749.06**	**1,56,910.44**	**888.58**	**629.86**	**202.12**	**1,66,686.20**
Net carrying amount								
As at 31st March,2019	**29,864.35**	**19,804.72**	**15,044.96**	**2,68,378.57**	**469.16**	**67.83**	**86.25**	**3,33,715.84**
As at 31st March,2018	**29,692.14**	**20,035.15**	**15,480.21**	**2,89,146.10**	**581.20**	**97.35**	**112.42**	**3,55,144.57**

₹ Lakhs

Description	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost								
Balance as at 1st April,2017	29,692.14	24,306.23	17,371.90	4,22,208.69	1,380.61	717.26	277.10	4,95,953.93
Additions	-	207.26	270.81	1,714.68	-	-	75.03	2,267.78
Disposals	-	-	-	(58.48)	(39.80)	(2.55)	(31.42)	(132.25)
Balance as at 31st March,2018	**29,692.14**	**24,513.49**	**17,642.71**	**4,23,864.88**	**1,340.81**	**714.72**	**320.71**	**4,98,089.46**
Accumulated depreciation								
Balance as at 31st March,2017	-	3,663.25	1,585.17	1,12,644.44	651.16	580.49	194.55	1,19,319.06
Depreciation Expense	-	815.09	577.33	22,119.32	143.15	39.31	42.94	23,737.14
Eliminated on disposal of assets	-	-	-	(44.97)	(34.70)	(2.43)	(29.20)	(111.30)
Balance as at 31st March,2018	**-**	**4,478.34**	**2,162.50**	**1,34,718.79**	**759.61**	**617.37**	**208.29**	**1,42,944.90**
Net carrying amount								
As at 31st March,2018	**29,692.14**	**20,035.15**	**15,480.21**	**2,89,146.10**	**581.20**	**97.34**	**112.42**	**3,55,144.57**
As at 31st March,2017	**29,692.14**	**20,642.98**	**15,786.73**	**3,09,564.25**	**729.45**	**136.77**	**82.55**	**3,76,634.87**

5. Property, Plant and Equipment (Continued)

Note:

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

The title to the private land measuring 565 acres, acquired for the site, where the power generating station is set up, is in the name of DVC. As per the Shareholders Agreement, the title is to be transferred to the Company. Pending transfer of title as stated above, the Company had entered into an Indenture Deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company) and provision to create security in favour of Lenders and transfer this land to the Company at the cost at which it was acquired subject to approval of the Government of the State of Jharkhand. Subsequently, the Company had created security in favour of Lenders on 17 July, 2017, as per the terms of the CLA and accordingly the lease rent has been fixed at ₹ 1 per annum.

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

5(b) DVC had also acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. As per the Shareholders Agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (115 acres) and Forest Land (238 acres) on 18 January, 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter. The process for 30 years lease in the name of MPL directly of balance land of Jangal Jhar (forest land) is in process.

5(c) Railway infrastructure land of 133 acres comprising Private land (70 acres), Gair Mazura (GM) land (28 acres) and Eastern Railway land (35 acres) was identified exclusively for the Railway Corridor of Maithon Right Bank Thermal Power Project. DVC has acquired Private land (67 acres) and GM land (18 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand.
The Company has directly acquired 2.42 out of 3.12 acres in name of MPL and the balance is in process of acquiring. The company has acquired 35 acres (14.274 hectares) through lease from Eastern Railway (ER) as required for the construction of railway infrastructure. The said land has been licensed for five years by the ER in favour of your Company with a provision of successive renewal.
The expenditure in connection with private land including land compensation and rehabilitation and resettlement expenses has been capitalised as freehold land and expenditure in connection with GM land and Eastern Railway land has been included under note 10 : Other Assets as unamortised premium for leasehold land.

5(d) The Company has elected to fair value its freehold land and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, the freehold land is carried at fair value of ₹ 29,692.14 lakhs and carrying amount reported under previous GAAP was ₹ 17,270.95 lakhs. Accordingly an amount of ₹ 12,351.21 lakh has been credited to retained earnings as at 1 April, 2015 (transition date).

5(e) Freehold land with a carrying amount of ₹ 29,864.35 lakhs (as at 31 March, 2018 - ₹ 29,692.14 lakhs) has been pledged to secure borrowings of the Company (see note 17).

Property, plant and equipment (other than freehold land) with a carrying amount of ₹ 3,03,851.49 lakhs (as at 31 March, 2018 - ₹ 3,25,452.43 lakhs) have also been pledged to secure borrowings of the Company (see note 17).

5(f) Computers is included under Plant and Equipment.

6. Other Intangible Assets

Accounting Policy

Intangible assets acquired separately
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Useful lives of intangible assets
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The company has capitalised Computer Software as Intangibles and are depreciated over a period of 5 years.

₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April,2018	50.12	50.12
Additions	55.76	55.76
Disposal	-	-
Balance as at 31st March,2019	**105.88**	**105.88**
Accumulated amortisation and impairment		
Balance as at 1st April,2018	47.90	47.90
Amortisation expense	8.66	8.66
Impairment losses recognised in the statement of profit or loss	-	-
Balance as at 31st March,2019	**56.56**	**56.56**
Net Block		
As at 31st March,2019	**49.32**	**49.32**
As at 31st March,2018	**2.22**	**2.22**

	Computer software	Total
Cost		
Balance as at 1st April,2017	50.12	50.12
Additions	-	-
Disposal	-	-
Balance as at 31st March, 2018	**50.12**	**50.12**
Accumulated amortisation and impairment		
Balance as at 1st April,2017	45.30	45.30
Amortisation expense	2.60	2.60
Balance as at 31st March, 2018	**47.90**	**47.90**
Net Block		
As at 31st March,2018	**2.22**	**2.22**
As at 31st March,2017	**4.82**	**4.82**

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
7. Financial Assets		
Loans, secured considered good unless otherwise stated		
Non-current		
Loans to Employees Including loans due by officers of the Company - ₹ 1.35 Lacs (As at March 31, 2018 - ₹ 1.55)	24.78	23.42
	24.78	**23.42**
Current		
Loans to Employees Including loans due by officers of the Company - ₹ 0.20 Lacs (As at March 31, 2018 - ₹ 0.20 lacs)	2.40	2.40
	2.40	**2.40**
8. Other Financial Assets		
Non-current		
Loans		
With related parties (Refer note 33)	20.00	20.00
With Others	13.77	11.38
With bank in deposit accounts with more than 12 month maturity*	0.10	0.10
	33.87	**31.48**
* Under lien with District Mining Authority, Jharkhand		
9. Non-current tax Assets/liabilities		
Non-current tax assets		
Advance Income-tax (Net)	975.00	1,027.91
	975.00	**1,027.91**
Current tax liabilities		
Income-tax payable	1,259.21	-
	1,259.21	**-**

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
10. Other Assets		
Non-current		
(Unsecured, considered good)		
(i) Capital Advances	1,863.87	2,677.75
(ii) Unamortised Premium for Leasehold Land	6,913.67	5,573.53
(iii) Other Advances		
Claim Receivable from Supplier	1,673.73	-
	10,451.27	**8,251.28**
Current		
(Unsecured, Considered Good)		
(i) Unamortised Premium for Leasehold Land	416.88	416.88
(ii) Other Loans and Advances		
Prepaid Expenses	390.66	303.70
Advances to Vendors	10,068.89	5,299.86
	10,459.55	**5,603.56**
(iii) Regulatory Assets (Net) (See below note)	25,835.92	10,808.59
	36,712.79	**16,829.03**

Note: The Central Electricity Regulatory Commission has allowed the ash disposal expenses as additional O&M for the period 2011-14. However the claim of additional O&M expenses for ash disposal for 2014-19 has not been considered at this stage and it has been linked with the petition of NTPC praying for recovery of additional expenditure of ash disposal and the same is pending for consideration of the commission. The commission has also requested to furnish the details of actual expenditure at the time of truing up. Further the commission has allowed Capital cost for the FY 2009-14 which is without adjustment of liquidated damages (LD) which is expected to ₹16,000 lacs and undischarged liabilities amounting to ₹ 5,000 lacs. However, the commission has requested to furnish the details of LD settlement and undischarged liabilities at the time of truing up of orders. In view of this, the company has created "Regulatory Assets" amounting to ₹ 41,703.87 lacs as on 31st March 2019 (₹ 15,189.28 Lacs on 31st March 2018) and Regulatory Liability is ₹ 15,867.95 lacs on 31st March 2019 (₹ 4,380.69 Lacs on 31st March 2018).

Regulatory assets has been considered as current in view of that order is reserved by the relevant authority and which is expected to be passed within next financial year.

11. Inventories

Inventories are stated at the lower of cost and net realisable value.
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Costs of inventories are determined on weighted average basis.
Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
(a) Raw Materials		
Fuel	15,567.70	7,383.48
Fuel-in-Transit	1,911.02	307.52
(b) Stores and Spares		
Stores and Spare Parts	4,360.51	3,284.91
(c) Loose Tools	6.85	1.35
	21,846.08	**10,977.26**

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
12. Current Investments		
Investments carried at Fair Value through Profit and Loss		
Mutual Funds (Unquoted)		
i. DSP BlackRock Liquidity Fund - direct growth plan Nil units (31st March, 2018 : 80,741.72)	-	2,006.68
ii. Invesco India Liquid Fund - direct plan growth Nil units (31st March, 2018: 85,736.40)	-	2,050.87
iii. Axis Liquid Fund-direct growth Nil units (31st March, 2018: 98,946.09)	-	1,907.22
iv. Tata Money Market-direct plan growth Nil units (31st March, 2018: 74,246.36)	-	2,033.14
v. UTI Liquid Cash Plan-direct plan growth Nil units (31st March, 2018.95,178.65 units)	-	1,855.74
	-	9,853.65
Aggregate carrying value and market value of Investments	-	9,853.65

13. Trade Receivables

Current Trade Receivables

Secured Considered good	17,091.15	9,251.75
Unsecured Considered good	19,207.84	17,111.34
	36,298.99	**26,363.09**

The average credit period for the company's receivable from its sale of power is 60 days. As per the relevant provisions of the CERC Regulations, penal interest @ 18% pa is claimable from the customers as Late payment Charges (LPC). As stated in note 24 to financial statements Late Payment Charges (LPC) are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

The age profile of the receivables is as under

Particulars	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Within credit period	28,101.51	4,440.89
1-30 days past due	1,140.25	-
31-90 days past due	2,280.51	1,389.00
More than 90 days past due	4,776.72	20,533.20
	36,298.99	26,363.09

14. Cash and cash equivalents

Accounting Policy

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

(i) Balances with Banks:		
In Current Accounts	10.21	5,009.70
(ii) Cash on Hand	-	-
Cash and Cash Equivalents as per Balance Sheet	**10.21**	**5,009.70**
Cash and Cash Equivalents as per Statement of Cash Flows	**10.21**	**5,009.70**

IND AS 7 requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities. Movement between opening and closing balances in Balance Sheet for liabilities arising from financing activities relates to only proceeds and repayments which have already been disclosed in the cash flow statement.

15. Equity - Share Capital

	As at 31st March, 2019		As at 31st March, 2018	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
		2,00,000.00		2,00,000.00
Issued and Subscribed Capital				
Equity shares of ₹ 10 each fully paid up	1,50,89,17,729	1,50,891.77	1,50,89,17,729	1,50,891.77
Total Issued, Subscribed and fully Paid-up Share Capital		**1,50,891.77**		**1,50,891.77**

As per terms/rights attached to equity shares the Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and is entitled for dividend approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31st March, 2019		As at 31st March, 2018	
Equity Shares	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year and at the end of the year	1,50,89,17,729	1,50,891.77	150,89,17,729	1,50,891.77

(ii) Details of shareholders holding more than 5% shares in the Company and shares held by holding Company

	As at 31st March, 2019		As at 31st March, 2018	
Equity Shares of ₹10/- each fully paid	Number	% Holding	Number	% Holding
The Tata Power Company Limited (the holding Company)	1,11,65,99,120	74%	1,11,65,99,120	74%
Damodar Valley Corporation	39,23,18,609	26%	39,23,18,609	26%

16. Other Equity

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
(i) Debenture Redemption Reserve (DRR)		
As at the beginning of the year	6,055.91	2,635.87
Add: Amount transferred from Retained Earnings	3,420.04	3,420.04
As at the end of the year	**9,475.95**	**6,055.91**

The Company has issued non convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment for dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
(ii) Retained Earnings		
As at the beginning of the year	41,354.96	34,522.50
Add: Remeasurement of Defined Benefit Obligation (Net of Tax)	(31.43)	(5.12)
Profit for the period	27,289.63	18,169.46
Less: Interim Dividend	14,516.16	6,646.86
Tax on Dividend	2,983.85	1,264.98
Transfer to Debenture Redemption Reserve	3,420.04	3,420.04
Movement for the year	6,338.15	6,832.46
As at the end of the year	**47,693.11**	**41,354.96**
	57,169.06	**47,410.87**

Note:

1 On 29th September, 2018,Interim dividend of ₹ 0.385 per share (3.85%) aggregating ₹ 5,807 lakhs. was paid to the holders of fully paid equity shares. On 29th March, 2019, Interim dividend of ₹ 0.57 per share (5.77%) aggregating to ₹ 8,710 lakhs was declared to the holders of fully paid equity shares.

2 The Company proposes to declare a final dividend of ₹ 27,500 lacs (Including Dividend Distribution Tax) based on the reserves and surplus in the books of accounts as on 31st March 2019 in addition to the interim dividend of ₹ 17,500 lacs (Including Dividend Distribution Tax) already declared and paid.

17. Non-current Borrowings	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Secured - At Amortised Cost		
(i) Redeemable Non-Convertible Debentures (See Note I below)	99,628.06	99,471.13
(ii) Term Loans from Banks (See Note II below)	76,325.98	94,757.18
	1,75,954.04	1,94,228.31

I. Redeemable Non-Convertible Debentures

(i) Debenture of Rs. 50,000 lakhs issued on 30 November, 2015

(a) Security

The Company has issued ₹ 50,000.00 lakhs of secured, non-cumulative and non-convertible redeemable debentures of face value ₹10.00 lakhs each on 30 November, 2015 at par. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).

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

a. First ranking pari passu charge on the Hypothecated Assets created and perfected within 3 (three) months from the closure of the Issue;

b. First ranking pari passu mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company;

c. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.

d. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.

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

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

(b) Interest

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

(c) Redemption terms

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

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

(ii) Debenture of Rs. 50,000 lakhs issued on 9 February, 2017

(a) Security

The Company has issued ₹ 50,000.00 lakhs each of secured, non-cumulative and non-convertible redeemable debentures of face value ₹50.00 lakhs each 9 February, 2017 at par respectively. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).

a. First ranking pari passu mortgage and charge over the freehold land of the plant (included under property, plant and equipment as freehold land) pertaining to the Company, both present and future, which in aggregate would measure approximately 565 acres acquired by the Company from Damodar Valley Corporation (DVC) under indenture of lease entered into between Damodar Valley Corporation (DVC) and the Company.

b. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the freehold railway land (78 acres included under property, plant and equipment as freehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.

c. First ranking pari passu mortgage by way of an equitable mortgage or any other mortgage on the entire GM land (133 acres) (payments in respect of which included under other assets as prepayment for leasehold land) within a period of three months from the date on which this land is transferred in the name of the Company along with the right to create security.

d. A first pari-passu charge on all movable properties and assets including, but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the Issuer related to the Project, both present and future.

e. First pari-passu charge on all the bank accounts of the company and each of the other accounts required to be created by the Issuer under any project document or contract.

f. First pari-passu charge over all current assets of the Issuer in relation to the Project including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the Issuer pertaining to the Project, both present and future.

g. A first pari-passu charge on all intangible assets of the Project including but not limited to the goodwill and undertaking of the Project.

h. Assignment by way of security over letters of credit, performance bonds or guarantees provided by any person for any contract in relation to the Project in favour of the Issuer.

i. Assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in each of the Project Documents.

j. Assignment by way of security of all insurance contracts/proceeds under insurance contracts in relation to the Project.

The above security will at all times, rank pari-passu inter se the existing lenders and the debentureholders.
The Issuer will have to take a prior written no-objection certificate from the debentureholders in the event it intends to create a security over the above secured properties in favour of its working capital lenders over and above Rs. 1,00,000 lakhs.
The Issue shall at all times maintain a Fixed asset coverage ratio of 1.15 times.

(b) Interest

The debentures carry a fixed rate of interest of 8% per annum. Interest is payable on the February of each year

(c) Redemption terms

The debentures which were issued on 9 February, 2017 have the following redemption schedule:

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

II. Term loans from banks and financial institution

(a) Security

a. On 26 February, 2014 the Company entered into a 'Common Loan agreement' (CLA) with a consortium of 12 banks and 1 financial institution, State Bank of India being the Lead banker. The total sanctioned amount as per the CLA is ₹ 362,760.00 lakhs divided into 3 tranches of Term Loan-I, Term Loan-II and Term Loan-III of ₹ 323,040.00 lakhs, ₹ 12,350.00 lakhs and ₹ 27,370.00 lakhs respectively.

On 6 February, 2017 the Company entered into a 'Deed of accession' whereby the loan taken from HDFC Bank is taken over by Aditya Birla Finance Limited. On 2 May, 2017 the Company repaid outstanding consortium loan to 8 banks and 2 financial institution.

b. The Company has repaid the term loan and has entered into a new 'Common Loan Agreement' with the State Bank of India on 18 July, 2017 . The total Sanctioned amount is ₹ 1,30,400.00 lakhs.

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

i. a first charge over all the immovable properties (including mortagage of leasehold rights in case of leasehold land, if any and excluding forest land (436.41 acres), railway land (34.50 acres) and the land admeasuring 14,000 (fourteen thousand) square meters acquired by the MPL from DVC on lease basis for construction of staff quarters) and assest of the borrower related to the Project, both present and future;

ii. a first charge on all moveable propertes and assets inluding, but not limited to plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of the borrower related to the Project, both present and future;

iii. a first charge on all the bank accounts of the Company including but not limited to Debt Service Reserve Accounts (DSRA) and each of other accounts required to be created by the Borrower under any Project Document or contract;

iv. a first charge over all current assets of the Borrower including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital of the Borrower, both present and future;

v. a first charge on all intangibles assests of the Company including but not limited to goodwill and undertaking of the Project.

vi. An assignment by way of security over letters of Credit, performance bonds or guarntees provided by any person for any contract in relation to the Project in favour of the Borrower;

vii. An assignment by way of security of all the rights, licenses, permits, approvals, consents, comtracts, title, interest, benefits, claims and demands whatsoever of the Borrower in each of the Project Documents; such assignment being duly acknowledged and consented to by the relevant counter parties to such Project Documents, if required as per terms od such Project Documents, including the rights to receive any Liquidated Damages;

viii. Negative lien on shareholding of Borrower.

ix. An assignment by way of security of all Insurance Contracts/proceeds under Insurance Contracts in relation to the Projects.

(b) Interest

Interest rate shall be calculated at floating base rate of State Bank of India plus 50 basis points.

(c) Repayment terms

The repayment schedule of outstanding balance of loan as at 31 March, 2019 is as under:

Period	Number of installments	Amount of installments (₹ Lakhs)	Total Amount (₹ Lakhs)
1 April 2019 to 1 October, 2020	6 (quarterly installments)	4,703.50	28,221.00
1 January, 2021	1	67,203.00	67,203.00
			95,424.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS			**284.02**
Balance outstanding as at 31 March, 2019			**95,139.98**

The repayment schedule of outstanding balance of loan as at 31 March, 2018 is as under:

Period	Number of installments	Amount of installments (₹ Lakhs)	Total Amount (₹ Lakhs)
1 April 2018 to 1 October, 2020	10 (quarterly installments)	4,703.50	47,035.00
1 January, 2021	1	67,203.00	67,203.00
			1,14,238.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS			**785.80**
Balance outstanding as at 31 March, 2018			**1,13,452.20**

(d) The loan contains certain debt covenants relating as net borrowings to EBITDA ratio, interest coverage ratio, fixed asset coverage ratio, gross DSCR. The Company has satisfied all debt covenants prescribed in the terms of bank loan.

(e) The Company has not defaulted on any loans payable.

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
18. Other Financial Liabilities		
Non-current		
Payables towards Purchase of Fixed Assets	928.91	778.60
	928.91	**778.60**
Current		
(a) Current Maturities of Long-term Debt	18,761.94	18,695.01
(b) Interest accrued but not due on Borrowings	2,132.35	2,063.01
(c) Provision for Interim Dividend	8,709.70	-
(d) Payables towards Purchase of Fixed Assets	1,493.80	1,518.60
(e) Advance from Consumers	-	26,991.62
(f) Security Deposits from Others	98.53	44.86
	31,196.32	**49,313.10**
19. Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	37.07	48.35
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16,143.01	15,084.70
	16,180.08	15,133.05
20. Deferred Tax Assets / Liabilities (Net)		
Deferred Tax Asset/Liabilities	30,360.00	17,707.00
MAT Credit entitlement	28,926.05	17,076.00
Net Deferred Tax - Liability / (Assets)	**1,433.95**	**631.00**

For Year ended 31st March 2019

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive income	Closing balance
MAT credit entitlement	17,076.00	11,850.05	-	28,926.05
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment	(42,283.15)	52.44	-	(42,335.58)
Provision for compensated absences	101.90	(50.35)	-	152.25
Unabsorbed depreciation	24,474.25	12,650.91	-	11,823.35
	(17,707.00)	**12,653.00**	-	**(30,360.00)**

For Year ended 31st March 2018

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive	Closing balance
MAT credit entitlement	9,730.55	7,345.45	-	17,076.00
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment	(41,984.61)	(298.54)	-	(42,283.15)
Provision for compensated absences	119.82	(17.92)	-	101.90
Unabsorbed depreciation	32,197.94	(7,723.69)	-	24,474.25
	(9,666.85)	**(8,040.15)**	-	**(17,707.00)**

Note:

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

b. The Company is entitled for availing the tax benefit under section 80IA of the Income-tax Act, 1961, with effect from the financial year 2016-17 for 10 years. Deferred tax liabilities as at 31 March, 2019, reflect the quantum of tax liabilities accrued upto the period end but payable after the expiry of the tax holiday period.

c. Pursuant to amendment in section 115JAA of Income Tax Act,1961, MAT credit can be utilised upto the 15th assessment year as against the 10th assessment year earlier. Accordingly, the Company has recognised MAT credit aggregating to ₹ 28,926.05 lakhs as at the year-end, to the extent that there will be sufficient future taxable income against which such MAT credit entitlement can be adjusted.

d. The Company has recognised MAT credit entitlement of ₹ 28,926.05 lacs as at March 31, 2019 (as at March 31, 2018: ₹ 17,076 lacs). Basis the existing tax laws and the projections of future profitability considering definitive Power purchase agreements which are completely tied up with the plant capacity, management expects that the Company will be subjected to normal taxation from the financial year 2025-26 onwards. The management is not expecting any major capitalisation / new projects eligible under Section 80IA of the Income Tax Act, 1961 till atleast FY 2031-32. Accordingly, the management is confident of earning taxable profits each year and will be able to utilise the entire amount of MAT credit entitlement recognised in the books.

21. Provisions

Accounting Policy

Provisions are recognized 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 recognized 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 time value of money is material)

Non-Current		
Compensated Absences	123.33	454.52
Post-Employment Medical Benefits	70.78	-
Other Defined Benefit Plans	145.90	125.62
Other Employee Benefits	179.82	155.22
	519.83	**735.36**
Current		
Compensated Absences	399.13	9.96
Gratuity (Net)	108.50	83.67
Post-Employment Medical Benefits	0.10	-
Other Defined Benefit Plans	14.25	12.07
Other Employee Benefits	12.76	13.69
	534.74	**119.39**

Employee Benefit Plans

21.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Superannuation fund is managed by LIC of India. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The Company has recognized ₹ 138.63 lakhs (31st March, 2018 ₹ 134.79 lakhs) for provident fund contributions and ₹ 59.61 lakhs (31st March, 2017 ₹ 58.88 lakhs) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

21.2 Defined benefit plans

(i) Unfunded

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.

Pension (Including Director pension)

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Company from time to time.

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 along with 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.

(ii) Funded

Gratuity Plan

The Company 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, withdrawal, resignation, death of an employee. The gratuity plan is funded plan. The gratuity fund is managed by Aditya Birla Sun Life Insurance Company Limited. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognized insurer managed funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

The Plan assets include investments include significant investments in G-Sec Bonds and accordingly exposed to financial risk.

(iii) Risks associated with Plan Provisions

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2019 by Mr. Kulin Patel, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(iv) The principal assumptions used for the purposes of the actuarial valuations were as follows:

S. No.	Particulars	Refer note below	As at 31st March, 2019	As at 31st March, 2018
i.	Discount rate (p.a)	1	7.40%	7.70%
ii.	Salary escalation rate (p.a)	2	7.00%	7.00%
iii.	Retirement Age		60 years	60 years
iv.	Mortality Table		Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
v.	Withdrawal Rate			
	44>Age>21		2.50%	2.50%
	Age>44		1.00%	1.00%
vi.	Rate of Gold Inflation		8.00%	8.00%

Note:

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

2. The gratuity plan is funded

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

21.3 The amounts recognized in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Current service cost	98.61	82.06
Net interest expenses	2.20	4.87
Components of defined benefit costs recognized in profit or loss	**100.81**	**86.93**

ii. Remeasurement on the net defined benefit liability:

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Acturial (gain)/Loss due to DBO Experience	22.82	65.41
Acturial (gain)/Loss due to assumption Changes	36.76	(63.50)
1. Actuarial (gain)/loss arising during period	59.58	1.91
2. Return on plan assets (greater)/less than discounting rate	(5.07)	(5.31)
Component of defined benefit costs recognized in Other Comprehensive Income	**54.51**	**(3.40)**

Note:

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

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Present value of funded defined benefit obligation	(1,100.11)	(955.34)
Fair value of plan assets	1,046.12	868.27
Funded status surplus/(deficit)	**(53.99)**	**(87.07)**

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Opening defined benefit obligation	955.34	863.97
Current service cost	98.61	82.05
Interest cost on defined benefit obligation	72.98	58.01
Acquisitions cost	(71.27)	20.01
Actuarial (gains) / loss arising from changes in demographic assumptions	-	75.64
Actuarial (gains) / loss arising from changes in experience	22.81	65.41
Actuarial (gains) / loss arising from changes in financial assumption	36.76	(139.13)
Benefits paid	(15.12)	(70.62)
Closing defined benefit obligations	**1,100.11**	**955.34**

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Opening fair value of plan assets	868.27	708.22
Interest income	70.79	53.13
Employer contributions	101.99	101.61
Return on plan assets (excluding amount included in net interest expenses)	5.07	5.31
Benefits paid	-	-
Closing fair value of plan assets	**1,046.12**	**868.27**

Note:

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

2) The Company expects to make a contribution of ₹ 108.32 lakhs (as at 31 March, 2018: 101.96 lakhs) to defined benefit plan during the next financial year.

vi. Sensitivity analysis

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

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

Particulars	As at 31st March, 2019 ₹ lakhs		As at 31st March, 2018 ₹ lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) (Prior period (-/+ 0.5%))	65.65	(60.24)	54.48	(49.93)
Salary Growth Rate (-/+0.5%) (Prior period (-/+ 0.5%))	(60.74)	65.61	(50.48)	54.61
Withdrawal Rate (-/+ 5%) (Prior period (-/+ 5%))		(64.93)	23.08	(46.53)

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

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

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

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

Time Period	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Within 1 year	89.73	19.88
Between 1-2 years	22.24	90.96
Between 2-3 years	41.84	138.48
Between 3-4 years	29.97	40.65
Between 4-5 years	76.09	28.6
Beyond 5 years	906.45	701.83

Particulars	31-Mar-19	31-Mar-18
The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)	8.1 years	8.1 years

21.4 Other Defined benefit plans

The amounts recognized in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Current service cost	94.46	84.13
Past Service Cost	55.00	205.34
Net interest expenses	62.19	45.78
Actuarial Gain/ (Loss)	9.77	(26.45)
Components of defined benefit costs recognized in profit or loss	**221.42**	**308.80**

ii. Remeasurement on the net defined benefit liability:

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Acturial (gain)/Loss due to DBO Experience	(15.83)	(10.66)
Acturial (gain)/Loss due to assumption Changes	9.64	21.89
Component of defined benefit costs recognized in Other Comprehensive Income	**(6.19)**	**11.23**

Note:
1) The current service cost and the net interest expense for the year are included in the 'Employee benefits expense ' in the Statement of Profit and Loss.
2) The remeasurement of the net defined benefit liability is included in the other comprehensive income.

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

Particulars	Year ended 31st March, 2019 ₹ lakhs	Year ended 31st March, 2018 ₹ lakhs
Net defined benefit asset/ (liability) at end of prior period	(772.38)	(459.50)
Current service cost	(94.46)	(289.47)
Past service cost	(55.00)	-
Net interest on net defined benefit liability/ (asset)	(62.19)	(45.78)
Amount recognized in OCI	6.18	15.22
Actuarial Gains/ (Losses)	(9.77)	-
Employer contributions	-	-
Benefit paid directly by the Company	39.36	21.59
Acquisitions credit/ (cost)	2.19	(14.44)
Closing defined benefit obligations	**(946.07)**	**(772.38)**

iv. Sensitivity analysis

Particulars	As at 31st March, 2019 ₹ lakhs		As at 31st March, 2018 ₹ lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) (Prior period (-/+ 0.5%))	63.59	(57.39)	45.40	(32.55)
Salary Growth Rate (-/+0.5%) (Prior period (-/+ 0.5%))	(40.70)	43.98	34.14	(31.49)
Withdrawal Rate (-/+ 5%) (Prior period (-/+ 5%))		(223.12)	(77.07)	17.57
Gold Inflation Rate (-/+ 5%) (Prior period (-/+ 5%))	(5.72)	6.23	10.08	(0.32)
Medical Inflation Rate (-/+ 5%) (Prior period (-/+ 5%))	(9.28)	10.93	-	-

vi. The expected maturity analysis of defined benefit

Time Period	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Within 1 year	52.92	32.36
Between 1-2 years	40.91	51.48
Between 2-3 years	57.65	63.88
Between 3-4 years	51.95	55.84
Between 4-5 years	81.16	46.00
Beyond 5 years	489.51	438.27

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
22. Other Liabilities		
Non-current		
Consumers' Benefit Account	1,697.45	1,697.45
	1,697.45	**1,697.45**
Current		
Tax Payable on Dividend	1,790.30	-
Statutory Liabilities	366.79	598.40
Other Liabilities	7.85	5.10
	2,164.94	**603.50**
23. Current Borrowings		
Unsecured - At Amortised Cost		
From Banks		
Commercial Paper	30,000.00	-
	30,000.00	**-**
Secured - At Amortised Cost		
From Banks		
(a) Cash Credit Account	1,809.29	20.29
(b) Short term loan from Bank	12,467.43	-
(c) Letter of Credit	1,820.98	2,797.92
	16,097.70	**2818.21**
	46,097.70	**2,818.21**

Note:

i. The Company has entered into 'Working Capital Facility Agreement' with State Bank of India, Kotak Mahindra Bank and Allahabad Bank for availing cash credit facility which is secured by way of first pari-pasu charge on movable and immovable assets of the Company present and future, with other term loan and working capital lenders.

ii. The Company has entered into an agreement with Kotak Mahindra Bank to avail Letter of Credit facility.

iii. The rate of interest for outstanding commercial papers are 7.61% and 7.63% respectively.

iv. The letter of credit is secured by first hypothecation charge on all existing and future current assets of the Company.

23.1 MSME Disclosure

Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED)

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
i) Principal amount due to micro and small enterprise	37.07	48.35
ii) Interest due on above	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Group		
	37.07	**48.35**

24. Revenue from Operations

Accounting Policy

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of Power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered.

Revenue from such contracts is recognised over time for each unit of electricity delivered at the contracted rate. Input method is used to recognize revenue based on the Company's efforts or inputs to the satisfaction of a performance obligation to deliver power. If the Company's effort's or inputs are expended evenly through out performance obligation to deliver power, revenue is recognized on straight line basis.

The Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of fuel cost, operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies. As per tariff regulations, the Company detemrines ARR and any surplus/shortfall in recovery of the same is accounted as 'Income to be adjusted in future tariff determination.

Late Payment Charges

Late payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

Change in Accounting Policy

Late payment charges were hitherto recognized, on grounds of prudence, when recovered. With effect from 1.4.2018, the Company has revised its accounting policy to recognize Late Payment Charges (LPC) on accrual basis based on contractual terms and an assessment of certainty of realization which could be based either an acknowledgement of the charges by the concerned customer or if a regulatory or statutory body passes a favourable order. Management believes that this policy results in the financial statements providing reliable and more relevant information about the effects of transaction on the Company's financial position and performance. The revision in accounting policy has been applied retrospectively and has resulted in increase in Other income and profit before tax by ₹5,863.87 Lacs, tax expenses by ₹2,038.53 lacs, profit after tax by ₹3,825.34 Lacs and basic and diluted earnings per share by ₹0.25 per share for the year ended March 31, 2019 and increase in unbilled revenue by ₹5,863.87, tax liabilities by ₹1,266.54 lacs, Deferred Tax liabilities by ₹2,052.00 Lacs and MAT Credit entitlement by ₹1,266.54 Lacs as at March 31, 2019. There is no impact on the opening balances and the comparative periods presented.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized 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.

	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
24. Revenue from Operations (Continue)		
(a) Revenue from Power Supply	2,86,015.58	2,52,007.57
(Less): Cash Discount	(5,526.67)	(5,215.89)
(Less)/Add: Income to be adjusted in future tariff determination (Net)	(2,928.06)	(19,830.25)
	2,77,560.85	2,26,961.43
(b) Other Operating Revenue		
Rental of Buildings	4.09	3.71
Income in respect of Services Rendered	27.69	53.50
Sale of Fly Ash	12.65	22.77
	44.43	79.98
	2,77,605.28	**2,27,041.41**

Note:-

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

	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
25. Other Income		
(a) Interest Income		
On Financial Assets held at Amortised Cost		
Interest on Banks Deposits	-	9.57
Interest on Income-tax Refund	24.74	132.38
Other Interest	1.74	1.29
	26.48	143.24
(b) Gain on Investments		
Gain on sale of Current Investment measured at FVTPL	371.66	1,311.51
	371.66	1,311.51
(c) Other Non Operating Income		
Loss on Disposal of Property, Plant and Equipment (Net)	(3.01)	(7.02)
Miscellaneous Income	246.14	430.22
(d) Late Payment Surcharge	5,863.87	-
	6,107.00	423.20
	6,505.14	**1,877.95**

Note:

Late payment surcharges represents amount claimable by the Company from one of its customers pursuant to a favourable order dated April 8, 2019 received from CERC.

26. Employee Benefits Expense

Accounting Policy

Defined Contribution Plans

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

Defined Benefit 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 recognized 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 recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 nonroutine settlements; and
- Net interest expense or income

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

A liability is recognized 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 recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized 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.

	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
26. Employee Benefits Expense (Continue)		
Salaries and Wages	3,780.68	3672.57
Contribution to Provident Fund	138.63	134.79
Contribution to Superannuation Fund	59.61	58.88
Retiring Gratuities	100.81	86.93
Leave Encashment Scheme	104.20	56.41
Pension Scheme	36.95	44.62
Staff Welfare Expenses	437.68	621.18
	4,658.56	4675.38
Less:		
Employee Cost Capitalised	540.45	300.08
	540.45	300.08
	4,118.11	**4,375.30**

27. Finance Costs

Accounting Policy

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.

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

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred

(a) Interest Expense:		
Borrowings		
Interest on Debentures	8,762.29	8,351.17
Interest on Loans from banks	10,115.37	10,731.63
Interest on borrowings from related party (Refer Note 33)	2.08	-
Interest on Commercial Paper	1,315.09	-
Others		
Other Interest and Commitment Charges	60.89	22.45
	20,255.72	19,105.25
(b) Other Borrowing Cost:		
Other Finance Costs	229.16	1,300.68
	229.16	1,300.68
	20,484.88	**20,405.93**

28. Depreciation and Amortisation expenses:

Depreciation on Tangible Assets (Refer Note 5)	23,815.67	23,737.14
Amortisation on Intangible Assets (Refer Note 6)	8.66	2.60
	23,824.33	**23,739.74**

29. Other Expenses

Consumption of Stores, Oil, etc. (Excludes stores issued for repair and maintanence)		901.00		854.04
Rental of Land, Buildings etc.		435.56		483.70
Repairs and Maintenance -				
(i) To Buildings and Civil Works	469.09		277.84	
(ii) To Machinery and Hydraulic Works	7,310.08		7,572.32	
(iii) To Furniture, Vehicles, etc.	254.15		252.96	
		8,033.32		8,103.12
Rates and Taxes		991.70		1,022.96
Insurance		514.51		760.02
Other Operation Expenses		847.05		937.22
Ash Disposal Expenses		3,340.46		3,320.87
Transmission Charges		11.07		211.05
Travelling and Conveyance Expenses		315.28		255.70
Consultants' Fees		221.85		153.87
Auditor's Remuneration		41.06		56.20
Cost of Services Procured		6,442.54		6,079.35
Legal Charges		1.38		9.52
Corporate Social Responsibility Expenses		532.22		563.10
Miscellaneous Expenses		56.99		100.15
		22,685.99		**22,910.87**

	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
I. Payment to the Auditors (Inclusive of tax)		
Statutory Audit Fees	19.82	25.49
Taxation Services	2.36	19.63
Other Services	15.20	6.42
Reimbursement of Expenses	3.68	4.66
	41.06	**56.20** *

*(Includes ₹28.36 lacs paid to erstwhile auditors)

II. Corporate Social Responsibility Expenses

	Year Ended 31st March, 2019 ₹ Lakhs	Year Ended 31st March, 2018 ₹ Lakhs
a) Gross amount required to be spent by the company	526.94	555.00
(b) Amount spent by the Company		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than above	532.22	563.10
In Cash and cash equivalents	532.22	563.10
Yet to be Paid in Cash	-	-
Total	532.22	563.10

30. Income taxes

Accounting Policy

Current and deferred tax for the year

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

Deferred Tax

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized if the temporary difference arises from the initial recognition 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 each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

In the situation when Company is entitled to a tax holiday under tax laws, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the gross total income is subject to deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the recognition of deferred tax assets are restricted to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

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.

MAT Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date.

Income tax recognised in profit and loss	**Year Ended 31st March, 2019 ₹ Lakhs**	**Year Ended 31st March, 2018 ₹ Lakhs**
Current tax		
For The Period	7,778.00	4,784.00
In respect of earlier years	1.54	(1,409.28)
	7,779.54	**3,374.72**
Deferred tax	12,653.00	8,040.15
MAT Credit	(11,850.05)	(7,345.45)
Total income tax expense recognised in the current year	**8,582.49**	**4,069.42**

The reconciliation between the provision of income tax of the company and the amounts computed by appling the Indian Statutory rate to profit before tax is as follows.

Profit before tax	**35,872.12**	**22,238.88**
Applicable income tax rate	34.94%	34.61%
Income tax expense calculated at applicable rate	12,533.72	7,696.88
Temporary difference reversed during tax holiday period.	375.08	280.77
On other permanent difference	185.96	194.88
Impact of change in Rate	(58.79)	-
Adjustment in respect of current income tax of previous years	1.54	(1,409.28)
Differential tax impact between MAT and Normal Tax.	(4,072.05)	(2,561.45)
Other Adjustments	(382.97)	(132.38)
Total income tax expense	**8,582.49**	**4,069.42**

1. The tax rate used for the financial years 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.94% and 34.61% respectively payable by the corporate entities in India on taxable profits under the Indian tax law.
2. The company has to pay taxes based on higher of income tax on profit of the company or MAT @21.55% and @21.34% of book profit for the years 2018-19 and 2017-18 respectively.
3. The rate used for calculation of deferred tax is @34.94% for FY 2018-19 and was @34.61% for FY 2017-18 being statutory enacted rates at respective Balance Sheet Dates.

	Year Ended 31st March, 2019 ₹ Lakhs	**Year Ended 31st March, 2018 ₹ Lakhs**
30.1 Income tax recognised in other comprehensive income		
Arising on income and expenses reclassified in other comprehensive income:		
Remeasurement of the defined benefit plan	16.89	2.71
Total income tax expense recognised in other comprehensive income	16.89	2.71
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	16.89	2.71
- Items that may be reclassified to profit or loss	-	-
	16.89	2.71
30.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	8,779.60	16,437.51
	8,779.60	**16,437.51**

Net of capital advance of ₹ 1,863.87 Lacs (31st March 2019) and ₹ 2,677.75 lacs (31st March 2018)

31. Interest rate risk management

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

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

Interest Rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2019 would decrease/increase by ₹ 727.12 Lakhs (for the year ended March 2018: decrease/ increase by ₹ 821.19 Lakhs). This is mainly attributable to the Company's exposure to the interest rates on its variable rate borrowings.

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

31.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.
The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

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

₹ Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments in mutual funds	-	9,853.65

31.2 Credit risk management

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

Collateral held as security

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

31.3 Commodity price risk

The operating activity of the company involves generation of power and therefore requires continuous supply of coal. The company has entered into fuel supply agreements with Central Coalfields Limited and Bharat Coking Coal Limited and any price fluctuation is passed on to the customers

32. Earnings per share

Accounting Policy

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

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

	Year Ended 31st March, 2019 ₹ Lakhs	Period Ended 31st March, 2018 ₹ Lakhs
Basic/diluted earnings per share (face value of Rs. 10 each)	1.81	1.20
	1.81	**1.20**

Note:

The recognition of Late Payment Surcharge increases the EPS by ₹ 0.25/ share. (refer note 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:

	Year Ended 31st March, 2019 ₹ Lakhs	Year ended 31st March, 2018 ₹ Lakhs
Profit After Tax	27,289.63	18,169.46
The weighted average number of equity shares for the purposes of diluted earnings	1,50,89,17,729	1,50,89,17,729

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

33. Related Party Transactions

a. List of related parties

i. Controlling Entity

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

ii. Entity exercising significant influence

Damodar Valley Corporation (DVC)

iii. Fellow Subsidiaries

Tata Power Trading Company Limited (TPTCL)
Coastal Gujarat Power Limited (CGPL)
Tata Power Ajmer Distribution Limited (TPADL)
Industrial Energy Limited (IEL)
Tata Power Solar System Ltd (TPSSL)
Walwhan Renewable Energy Private Limited (WREPL)

iv. Key Management Personnel (KMP)

Mr. Purushottam Thakur (CEO and Executive Director) (till 31st December 2018)
Mr. Purushottam Thakur(Director) (w.e.f 1st January 2019)
Ramesh Jha (Chief Executive Officer) (w.e.f 1st January 2019)
Satish Kumar (Chief Financial Officer)
Neera Saggi- (Director)
Narendra Nath Mishra (Director)
Krishnava Dutt (Director)
Ashok Sethi (Chairman)
Nandakumar Tirumalai (Director) (till 31st May 2018)
Sanjeev Kuar Seth (Director) (till 30th September 2018)
Asim De (Director) (till 22nd June 2018)
K Chandrashekhar (Director) (till 30th June 2018)
Anand Agarwal(Director) (w.e.f 29th June 2018)
Subodh Datta (Director) (till 15th November 2018)
Sourendra Coomer Dutt (Director) (till 15th November 2018)
Suvamay Halder (Director) (w.e.f 4th December 2018)
Deb Kumar Aich (Director) (till 30th June 2018)
Pulak Datta (Director) (w.e.f 16th November 2018)

33. Related Party Transactions (Continue)

b. Transactions/balances outstanding with related parties

Particulars	CE	SI	Fellow subsidiaries						KMP	Total
	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
i) Transactions for the year ended 31st March , 2019										
Revenue from power supply	-	40,940.95	1,59,581.66	-	-	-	-	1,59,581.66	-	2,00,522.61
	(-)	(25,568.84)	(1,02,550.72)	(-)	(-)	(-)	(-)	(1,02,550.72)	(-)	(1,28,119.56)
Cash discount on power sales	-	64.32	3,575.54	-	-	-	-	3,575.54	-	3,639.86
	(-)	(484.17)	(2,722.17)	(-)	(-)	(-)	(-)	(2,722.17)	(-)	(3,206.34)
Late payment surcharge	-	5,863.87	-	-	-	-	-	-	-	5,863.87
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Electricity Charges	-	35.55	-	-	-	-	-	-	-	35.55
	(-)	(39.20)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(39.20)
Water charges	-	930.54	-	-	-	-	-	-	-	930.54
	(-)	(921.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(921.16)
Rent and hire charges	-	12.59	-	-	-	-	-	-	-	12.59
	(6.38)	(15.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21.51)
Operation and maintenance charges	5,770.77	-	-	-	-	-	-	-	-	5,770.77
	(5,180.15)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5,180.15)
Receipt and payment of ICD	4,704.00	-	-	-	-	-	-	-	-	4,704.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Payment of ICD	4,704.00	-	-	-	-	-	-	-	-	4,704.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trading margin on power sales	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(21.75)	(-)	(-)	(-)	(-)	(21.75)	(-)	(21.75)
Sale of property, plant and equipment	-	-	-	-	-	-	0.44	0.44	-	0.44
	(0.11)	(-)	(-)	(-)	(0.08)	(-)	(0.61)	(0.69)	(-)	(0.80)
Interest on loan	2.08	-	-	-	-	-	-	-	-	2.08
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of property, plant and equipment	-	-	-	0.32	-	-	-	0.32	-	0.32
	(0.54)	(-)	(-)	(1.45)	(-)	(-)	(-)	(1.45)	(-)	(1.99)
Reimbursement of expenses to the Company	-	12.24	124.13	-	-	-	-	124.13	-	136.37
	(-)	(10.86)	(43.45)	(-)	(-)	(-)	(-)	(43.45)	(-)	(54.31)
Reimbursement of expenses by the Company	-	-	-	-	-	-	-	-	-	-
	(386.10)	(8.78)	(7.33)	(-)	(-)	(-)	(-)	(7.33)	(-)	(402.21)
Service received related to CWIP	48.62	-	-	-	-	-	-	-	-	48.62
	(15.93)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(15.93)
Remuneration (includes sitting fees)	-	-	-	-	-	-	-	-	188.47	188.47
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(183.74)	(183.74)
Dividend	10,741.96	3,774.20	-	-	-	-	-	-	-	14,516.16
	(4,918.67)	(1,728.18)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6,646.85)
Interest on Loan to KMP	-	-	-	-	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Loan repaid by KMP	-	-	-	-	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.20)	(0.20)

Figures in brackets stated pertain to the year ended 31st March, 2018.

MAITHON POWER LIMITED

Notes to the Financial Statements for the year ended March 31, 2019

33. Related Party Transactions (Continue)

₹ lakhs

Particulars	CE	SI	Fellow subsidiaries						KMP	Total
ii) Balances outstanding as at 31st March, 2019	TPCL	DVC	TPTCL	CGPL	IEL	WREPL	TPSSL	Subtotal(FS)		
Trade receivables										
As at 31-03-2019	-	13,627.53	12,834.78	34.56	-	-	-	12,869.34	-	26,496.87
As at 31-03-2018	(-)	(21,343.57)	(5,595.77)	(-)	(-)	(-)	(-)	(5,595.77)	(-)	(26,939.34)
Advance from Customer										
As at 31-03-2019	-	-	-	-	-	-	-	-	-	-
As at 31-03-2018	(-)	(7,853.50)	(18,690.63)	(-)		(-)	(-)	(18,690.63)	(-)	(26,544.13)
Unbilled revenue										
As at 31-03-2019	-	9,513.21	91.10	-	-	-	-	91.10	-	9,604.31
As at 31-03-2018	(-)	(3,216.18)	(158.03)	(-)	(-)	(-)	(-)	(158.03)	(-)	(3,374.21)
Dividend Payable										
As at 31-03-2019	6,445.18	2,264.52	-	-	-	-	-	-	-	8,709.70
As at 31-03-2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Security deposits										
As at 31-03-2019	-	20.00	-	-	-	-	-	-	-	20.00
As at 31-03-2018	(-)	(20.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(20.00)
Other current assets-others										
As at 31-03-2019	-	8.25	-	-	-	-	-	-	-	8.25
As at 31-03-2018	(5.75)	(8.25)	(-)	(0.70)	(-)	(-)	(-)	(0.70)	(-)	(14.70)
Trade payables										
As at 31-03-2019	708.52	-	-	0.39	-	2.14	-	2.53	-	711.05
As at 31-03-2018	(735.50)	(95.05)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(830.55)
Letter of credit										
As at 31-03-2019	-	3,260.00	6,207.47	-	-	-	-	6,207.47	-	9,467.47
As at 31-03-2018	(-)	(2,640.00)	(6,415.32)	(-)	(-)	(-)	(-)	(6,415.32)	(-)	(9,055.32)
Other Receivables										
As at 31-03-2019	-	-	-	-	-	-	-	-	-	-
As at 31-03-2018	(-)	(-)	(-)		(-)	(-)	(-)	-	(-)	-
KMP (Loan Outstanding)										
As at 31-03-2019	-	-	-	-	-	-	-	-	1.55	1.55
As at 31-03-2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.75)	(1.75)

Notes:

Figures in brackets stated pertain to year ended 31 March, 2018.

34. Financial Instruments

1. Financial assets and liabilities

1.1 The carrying value and fair value of financial instruments by categories as of 31st March, 2019 is as follows. ₹ Lakhs

Particulars	Fair Value through P&L	Fair Value through OCI	Ammortised Cost	Total Carrying value	Total Fair Value
Assets					
Cash and Cash Equivalents	-	-	10.21	10.21	10.21
Trade Receivables	-	-	36,298.99	36,298.99	36,298.99
Investments					
Equity and Others	-	-	-	-	-
Unbilled Revenues	-	-	9,879.01	9,879.01	9,879.01
Loans	-	-	27.18	27.18	27.18
Other financial Assets	-	-	33.87	33.87	33.87
Total	-	-	**46,249.26**	**46,249.26**	**46,249.26**
Liabilities:					
Trade Payables	-	-	16,180.08	16,180.08	16,180.08
Borrowings (Includes Current Maturities)	-	-	2,40,813.68	2,40,813.68	2,40,813.68
Other Financial Liabilities	-	-	13,363.29	13,363.29	13,363.29
Total	-	-	**2,70,357.05**	**2,70,357.05**	**2,70,357.05**

1.2 The carrying value and fair value of financial instruments by categories as of 31st March, 2018 is as follows.

Particulars	Fair Value through P&L	Fair Value through OCI	Ammortised Cost	Total Carrying value	Total Fair Value
Assets					
Cash and Cash Equivalents	-	-	5,009.70	5,009.70	5,009.70
Trade Receivables	-	-	26,363.09	26,363.09	26,363.09
Investments					
Equity and Others	9,853.65	-	-	9,853.65	9,853.65
Unbilled Revenues	-	-	4,019.15	4,019.15	4,019.15
Loans	-	-	25.82	25.82	25.82
Other Financial Assets	-	-	31.48	31.48	31.48
Total	**9,853.65**	-	**35,449.24**	**45,302.89**	**45,302.89**
Liabilities:					
Trade Payables	-	-	15,133.05	15,133.05	15,133.05
Borrowings (Includes Current Maturities)	-	-	2,15,741.53	2,15,741.53	2,15,741.53
Other Financial Liabilities	-	-	31,396.69	31,396.69	31,396.69
Total	-	-	**2,62,271.27**	**2,62,271.27**	**2,62,271.27**

34.1 Fair value measurements

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

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

Particulars	Fair value As at 31st March, 2019	Fair value As at 31st March, 2018	Fair value hierarchy	Valuation techniques and key inputs
Investment in mutual funds designated as at fair value through profit or loss	-	9,853.65	Level 1	NAV of mutual fund investments at reporting date

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

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

34.2 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The Capital structure of the Company consists of net debt (borrowings as detailed in notes 17, 18 and 23 offset by cash and cash equivalents) and total equity of the Company.
The management reviews the capital structure of the Company on a quarterly basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital.

Gearing ratio

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

	₹ Lakhs As at 31st March, 2019	As at 31st March, 2018
Debt (i)	2,40,813.68	2,15,741.53
Cash and cash equivalents	10.21	5,009.70
Net debt	2,40,803.47	2,10,731.83
Total equity	2,08,060.83	1,98,302.64
Net debt to equity ratio (%)	116%	106%

(i) Debt is defined as long-term and short-term borrowings, as described in notes 17, 18 and 23.

34.3 Liquidity risk management

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

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

34.4 Expected maturity for financial liabilities

	0-1 year	1-5 years	5+ years	Total	Carrying Value
31st March, 2019					
Non-derivative financial liabilities					
Borrowings*	35,279.54	1,91,259.60	22,176.44	**2,48,715.58**	**1,94,715.98**
Trade payables	16,180.08	-	-	**16,180.08**	**16,180.08**
Other financial liabilities	31,196.32	928.91	-	**32,125.23**	**32,125.23**
31st March, 2018					
Non-derivative financial liabilities					
Borrowings*	36,701.18	1,83,358.15	65,687.84	**2,85,747.16**	**2,12,923.32**
Trade payables	15,196.22	-	-	**15,196.22**	**15,196.22**
Other financial liabilities	50,735.83	548.80	-	**51,284.63**	**51,284.63**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

34.5 Financing facilities

	₹ Lakhs As at 31st March, 2019	As at 31st March, 2018
Unsecured working capital loan facility:		
-amount used	30,000.00	-
-amount unused	-	-
	30,000.00	-
Secured cash credit and unsecured working capital loan facility:		
-amount used	14,276.72	20.29
-amount unused	19,723.28	8,979.71
	34,000.00	9,000.00
Secured bank loan facilities as per CLA entered on 18 July, 2017 (See note 17(II))		
-amount used	1,30,400.00	1,30,400.00
-amount unused	-	-
	1,30,400.00	1,30,400.00

35. Contingent liabilities

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

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

(b) Claims against the Company not acknowledged as debts for demands raised by the office of the Zonal Jt. Director General Trade for revocation of grant of deemed export benefits which has been disputed by the Company ₹ 3,641.14 lakhs (31 March, 2018 : ₹ 3,641.14 lakhs).

(c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement."

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

37. Segment Reporting

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

38.

(a) The year end foreign currency exposures of the Company is ₹ Nil (31 March, 2018: Nil)

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

39. Mega power status

The Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipt of the mega power certificate, the Company remains liable to pay excise and customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid excise duty to its vendors aggregating to ₹ 12,024 lakhs (31 March, 2018: ₹ 12,024 lakhs) upto 31 March, 2019. Out of total payment of excise duty to suppliers ₹ 11,911 lakhs (net of receipts) had been capitalised and the balance amount of ₹ 113 lakhs is included in capital work-in-progress as at 31 March, 2019.

39.1 Final Dividend

The Company proposes to declare a final dividend of ₹.27,500 Lacs (Inclusive of DDT) based on the reserves and surplus in the books of accounts as on 31st March 2019 in addition to the interim dividend of ₹17,500 (Inclusive of DDT) Lacs already declared during the year.

40. Significant Events after the Reporting Period

There were no significant adjusting event that occurred subsequent to the period other than the events disclosed in the note 24.

41. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.

42. Approval of financial statements

The financial statements were approved by the Board of Directors on 17th April, 2019.

For S.R.Batliboi & Co LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

T. Das Mahapatra

Tanmoy Das Mahapatra
Partner
Membership No: 058259
Place: Mumbai
Date: 17th April,2019

For and on behalf of the Board,

Ashok Sethi

Ashok Sethi
Chairman
Place: Mumbai
Date: 17th April,2019

Suvamay Halder
Director
Place: Mumbai
Date: 17th April,2019

Poonam Shirke
Company Secretary
Place: Mumbai
Date: 17th April,2019

Ramesh Jha

Ramesh Jha
Chief Executive Officer
Place: Mumbai
Date: 17th April,2019

Satish Kumar
Chief Financial Officer
Place: Mumbai
Date: 17th April,2019