

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Tata Power Trading Company Limited

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Tata Power Trading Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS 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, 2020, its profit/loss 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.

#### **Other Information**

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 such 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.



# **S.R. BATLIBOI & Co. LLP**

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## **Responsibility of Management 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 with reference to financial statements 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



# **S.R. BATLIBOI & Co. LLP**

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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.

## **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;
  - (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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:



# **S.R. BATLIBOI & Co. LLP**

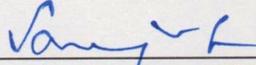
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- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjeev Kumar Singhal**  
Partner

Membership Number: 095377

UDIN: 20095377AAAAAG4278



Place of Signature: New Delhi

Date: April 29, 2020

**Annexure 1 referred to in paragraph 1 of under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date**

**Re: Tata Power Trading Company Limited (“the Company”)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.  
  
(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company
  
- ii. The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
  
- iii. (a) The Company has granted loans to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.  
(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.  
  
(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
  
- iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.  
Further there are no loans, given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.
  
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
  
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
  
- vii. (a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues as applicable to it though there has been a slight delay in a few cases.



# **S.R. BATLIBOI & Co. LLP**

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- (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, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank. The Company did not have any loans or borrowing in respect of a Debentures or to government during the year.
- 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) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, therefore 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.



# **S.R. BATLIBOI & Co. LLP**

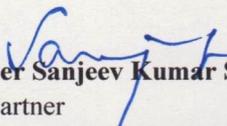
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- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Sanjeev Kumar Singhal**  
Partner

Membership Number: 095377

UDIN: 20095377AAAAAG4278

Place of Signature: New Delhi

Date: April 29, 2020



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

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

We have audited the internal financial controls over financial reporting of Tata Power Trading Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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



# **S.R. BATLIBOI & Co. LLP**

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

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

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

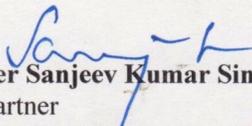
## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Sanjeev Kumar Singh**  
Partner  
Membership Number: 095377  
UDIN: 20095377AAAAAG4278



Place of Signature: New Delhi

Date: April 29, 2020

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Tata Power Trading Company Limited

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Tata Power Trading Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS 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, 2020, its profit/loss 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.

#### **Other Information**

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 such 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.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Responsibility of Management 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 with reference to financial statements 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



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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.

## **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;
  - (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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:



# **S.R. BATLIBOI & Co. LLP**

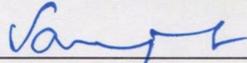
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- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjeev Kumar Singhal**

Partner

Membership Number: 095377

UDIN: 20095377AAAAAG4278



Place of Signature: New Delhi

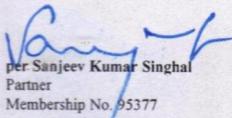
Date: April 29, 2020

Tata Power Trading Company Limited  
Balance sheet as at 31st March, 2020

	Notes	As at	As at
		31st March, 2020	31st March, 2019
		₹ Lakhs	₹ Lakhs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	4	4,370.75	4,721.07
(b) Intangible Assets	5	36.20	122.86
<b>(c) Financial Assets</b>			
(i) Investments	5.1	-	-
(ii) Other financial assets	9	1.49	-
(d) Non-current Tax Assets (Net)	10	239.57	213.93
(e) Other Non-current Assets	11	7.60	8.00
<b>Total Non-current Assets</b>		<b>4,655.61</b>	<b>5,065.86</b>
<b>Current Assets</b>			
<b>(a) Financial Assets</b>			
(i) Trade Receivables	6	54,528.16	56,608.78
(ii) Unbilled Revenue and agency receivable		8,481.80	11,580.96
(iii) Cash and cash Equivalent	12	2,016.73	8.24
(iv) Other financial assets	9	1,326.10	1,193.64
(b) Other Current Assets	11	14.94	16.17
<b>Total Current Assets</b>		<b>66,367.73</b>	<b>69,407.79</b>
<b>TOTAL ASSETS</b>		<b>71,023.34</b>	<b>74,473.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1,600.00	1,600.00
(b) Other Equity	14	21,651.04	17,595.86
<b>Total Equity</b>		<b>23,251.04</b>	<b>19,195.86</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	2,551.32	2,861.50
(b) Provisions	17	315.66	305.01
(c) Deferred Tax Liabilities (Net)	18	803.67	1,147.62
<b>Total Non-current Liabilities</b>		<b>3,670.65</b>	<b>4,314.13</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	20	0.74	14,266.01
<b>(ii) Trade Payables</b>			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 21(ii))	21	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		41,433.56	34,506.24
<b>(iii) Other Financial Liabilities</b>			
(b) Provisions	16	967.55	900.59
(c) Current Tax Liabilities (Net)	17	13.57	11.09
(d) Other Current Liabilities	19	1,686.23	1,167.00
<b>Total Current Liabilities</b>		<b>44,101.65</b>	<b>50,963.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,023.34</b>	<b>74,473.65</b>

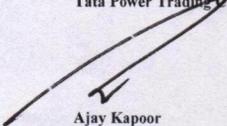
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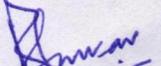
As per our report of even date  
For S.R.Batilboi & Co. LLP  
Chartered Accountants  
Firm Registration No: 301003E / E300005

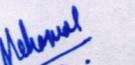
  
per Sanjeev Kumar Singh  
Partner  
Membership No. 95377

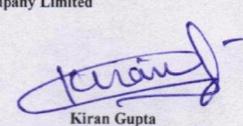


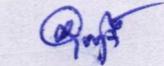
For and on behalf of the Board of Directors of  
Tata Power Trading Company Limited

  
Ajay Kapoor  
Director  
DIN-00466631

  
Bhaskar Sarkar  
Chief Executive Officer

  
Neta Malik  
Company Secretary

  
Kiran Gupta  
Director  
DIN-08196580

  
Ritu Gupta  
Chief Financial Officer



Place: New Delhi  
Date: 29th April, 2020

Place: New Delhi  
Date: 29th April, 2020

**Tata Power Trading Company Limited**  
**Statement of profit and loss for the year ended 31st March, 2020**

	Notes	For Year ended	For Year ended
		31st March, 2020	31st March, 2019
		₹ Lakhs	₹ Lakhs
I Revenue from Operations	22	24,794.49	26,216.19
II Other Income	25	393.65	231.18
III <b>Total Income</b>		<b>25,188.14</b>	<b>26,447.37</b>
IV <b>Expenses</b>			
(a) Cost of Power Purchased		16,491.27	16,794.62
(b) Employee Benefits Expense	26	915.26	1,100.33
(c) Finance Costs	27	839.32	887.55
(d) Depreciation and Amortisation Expenses	4 & 5	453.64	458.09
(e) Other Expenses	28	1,468.72	1,478.75
<b>Total Expenses</b>		<b>20,168.21</b>	<b>20,719.34</b>
V <b>Profit Before Tax</b>		<b>5,019.93</b>	<b>5,728.03</b>
VI <b>Tax Expense</b>			
Current Tax	29	1,284.00	2,044.66
Tax for earlier years	29	15.56	10.22
Deferred Tax	29	(350.87)	(16.61)
		<b>948.69</b>	<b>2,038.27</b>
VII <b>Profit for the period</b>		<b>4,071.24</b>	<b>3,689.76</b>
VIII <b>Other Comprehensive Income</b>			
A Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		(21.46)	(23.38)
(b) Tax expense		5.40	8.17
<b>Total Other Comprehensive Income</b>		<b>(16.06)</b>	<b>(15.21)</b>
IX <b>Total Comprehensive Income for the period (VII+ VIII)</b>		<b>4,055.18</b>	<b>3,674.55</b>
X <b>Earnings Per Equity Share</b> (Face Value ₹ 10/- Per Share)			
Basic (₹)	30	25.45	23.06
Diluted (₹)	30	25.45	23.06

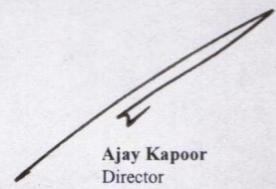
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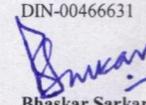
As per our report of even date  
**For S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No: 301003E / E300005

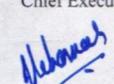
For and on behalf of the Board of Directors of  
**Tata Power Trading Company Limited**

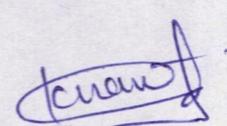
  
per Sanjeev Kumar Singhal  
Partner  
Membership No. 95377

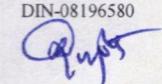


  
Ajay Kapoor  
Director  
DIN-00466631

  
Bhaskar Sarkar  
Chief Executive Officer

  
Neha Malik  
Company Secretary

  
Kiran Gupta  
Director  
DIN-08196580

  
Ritu Gupta  
Chief Financial Officer

Place: New Delhi  
Date: 29th April, 2020

Place: New Delhi  
Date: 29th April, 2020



**Tata Power Trading Company Limited**  
Statement of cash flows for the period ended 31st March , 2020

	For Year ended 31st March, 2020 ₹ Lakhs	For Year ended 31st March, 2019 ₹ Lakhs
<b>A. Cash flow from operating activities</b>		
Profit before tax	5,019.93	5,728.03
Depreciation and amortisation expense of property, plant & equipment	453.64	458.09
Interest income	(7.99)	(12.98)
Gain arising on financial assets designated as at FVTPL	(110.36)	(218.20)
Finance cost	839.32	887.55
Loss/(gain) on disposal of property, plant and equipment	(0.65)	(0.03)
Amortization of leasehold land	-	0.40
Liability no longer required written back	(275.30)	(57.71)
Provision for doubtful debts and advances (Net)	(160.71)	(12.77)
	<b>5,757.88</b>	<b>6,772.38</b>
(Increase) / Decrease in trade receivables	2,221.74	(41,837.87)
(Increase) / Decrease in other current assets	1.23	(6.19)
(Increase) / Decrease in other Non current assets	(1.09)	-
(Increase) / Decrease in other current financial assets	2,986.29	24,716.35
Increase / (Decrease) in trade payables	7,202.66	11,422.64
Increase / (Decrease) on other current liabilities	519.23	(9,074.22)
Increase / (Decrease) in other current financial liabilities	42.04	48.73
Increase / (Decrease) in provisions	(8.33)	138.72
	12,963.77	(14,591.91)
Cash generated from operations	<b>18,721.65</b>	<b>(7,819.53)</b>
Income taxes paid	(1,425.67)	(1,782.70)
Net cash flow from operating activities	<b>17,295.98</b>	<b>(9,602.23)</b>
<b>B. Cash flow from investing activities</b>		
Payments for property, plant and equipment	(18.79)	(46.28)
Proceeds from disposal of property, plant and equipment	2.80	1.46
Inter company loans given	(700.00)	(9,000.00)
Inter company deposits received back	700.00	9,000.00
Purchase of current investments	(1,47,888.44)	(2,90,820.00)
Proceeds from sale of current investments	1,47,998.80	2,91,038.20
Interest income	7.99	14.50
Net cash flow from investing activities	<b>102.36</b>	<b>187.88</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	1,04,329.67	70,485.15
Repayment of borrowings	(1,04,611.73)	(70,745.58)
Inter company deposits taken	30,000.00	34,500.00
Inter company deposits repaid	(30,000.00)	(34,500.00)
Finance costs paid	(842.52)	(888.74)
Dividends paid	-	(1,100.00)
Dividend distribution tax paid	-	(224.13)
Net cash flow (used in) financing activities	<b>(1,124.58)</b>	<b>(2,473.30)</b>
Net (decrease)/increase in cash and cash equivalents	<b>16,273.76</b>	<b>(11,887.65)</b>
Cash and cash equivalents as at 1st April, 2019	(14,257.77)	(2,370.12)
Cash and cash equivalents as at 31st March, 2020 (Refer note 12)	<b>2,015.99</b>	<b>(14,257.77)</b>
Cash and cash Equivalents (Refer note 12)	2,016.73	8.24
Short term borrowings- Bank overdraft (Refer note 20)	(0.74)	(14,266.01)
	<b>2,015.99</b>	<b>(14,257.77)</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date  
For S.R.Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No: 301003E / E300005

per Sanjeev Kumar Singhal  
Partner  
Membership No. 95377



Place: New Delhi  
Date: 29th April, 2020

For and on behalf of the Board of Directors of  
Tata Power Trading Company Limited

Ajay Kapoor  
Director  
DIN-00466631

Bhaskar Sarkar  
Chief Executive Officer

Neha Malik  
Company Secretary

Kiran Gupta  
Director  
DIN-08196580

Ritu Gupta  
Chief Financial Officer



Place: New Delhi  
Date: 29th April, 2020

**Tata Power Trading Company Limited**  
**Statement of changes in equity for the period ended 31st March, 2020**

A. Equity Share Capital		₹ Lakhs	
	No. of Shares	Amount	
Balance as at 1st April, 2018	1,60,00,000	1,600	
Issue of Equity Shares during the period	-	-	
Balance as at 31st March, 2019	1,60,00,000	1,600	
Issue of Equity Shares during the year	-	-	
Balance as at 31st March, 2020	1,60,00,000	1,600	

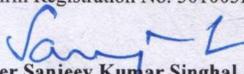
  

B. Other Equity		₹ Lakhs			
Description	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Deemed capital contribution from holding company	
Balance as at 1st April, 2018	1,355.00	2,089.50	10,587.09	8.30	14,039.89
Profit for the period	-	-	3,689.76	-	3,689.76
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	(15.21)	-	(15.21)
<b>Total Comprehensive Income</b>	-	-	<b>3,674.55</b>	-	<b>3,674.55</b>
Dividend paid (including tax on dividend)	-	-	100.00	-	100.00
Tax on Dividend	-	-	18.58	-	18.58
Balance as at 31st March, 2019	1,355.00	2,089.50	14,143.06	8.30	17,595.86
Balance as at 1st April, 2019	1,355.00	2,089.50	14,143.06	8.30	17,595.86
Profit for the year	-	-	4,071.24	-	4,071.24
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	(16.06)	-	(16.06)
<b>Total Comprehensive Income</b>	-	-	<b>4,055.18</b>	-	<b>4,055.18</b>
Balance as at 31st March, 2020	1,355.00	2,089.50	18,198.24	8.30	21,651.04

The accompanying notes are an integral part of the financial statements

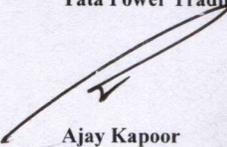
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Chartered Accountants

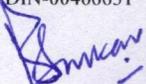
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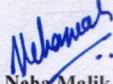
  
per **Sanjeev Kumar Singhal**  
Partner  
Membership No. 95377



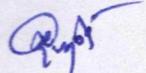
For and on behalf of the Board of Directors of  
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**Ajay Kapoor**  
Director  
DIN-00466631

  
**Bhaskar Sarkar**  
Chief Executive Officer

  
**Neha Malik**  
Company Secretary

  
**Kiran Gupta**  
Director  
DIN-08196580

  
**Ritu Gupta**  
Chief Financial Officer

Place: New Delhi  
Date: 29th April, 2020

Place: New Delhi  
Date: 29th April, 2020



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**1 Corporate Information:**

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

The financial statements were approved for issue by Board of Directors on 29th April 2020.

**2 Significant accounting policies:**

**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 (as amended from time to time) and presentation requirement of Division II of Schedule 3 of the Companies Act 2013 (INDAS Compliance Schedule 3).

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis, except for certain financial assets & financial liability measured at fair value (refer note 3.2 accounting policy regarding financial instruments, note 3.3 regarding financial assets & note 3.4 regarding financial liabilities & equity instrument.)

**2.3 Use of estimates**

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

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investment, provision for employee benefits, useful life of property, plant & equipment.

**3. Other Significant Accounting Policies**

**3.1 Foreign Currencies**

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

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

**3.2 Financial Instruments**

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

**3.3 Financial Assets**

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



### 3.3.1 Classification of financial assets

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

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

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

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

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

### 3.3.2 Effective interest method

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

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

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

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

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

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

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

### 3.3.4 Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

### 3.3.5 Impairment of financial assets

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

## 3.4 Financial liabilities and equity instruments

### 3.4.1 Classification as debt or equity

Debt and equity instruments issued by a 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.

### 3.4.2 Equity Instruments

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



The following are the amounts recognised in statement of Profit and Loss in respect of short term lease :

(in Lakhs)

Particulars	As at March 31st 2020
Expenses related to short term leases	133.32
Expenses related to leases of low value assets, excluding short term leases of low value assets	-

#### 3.4.6 Impairment of tangible and intangible assets other than goodwill

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

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

In assessing value in use, the estimated future Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If No such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share Prices for publicly traded companies or other available fair value indicators.

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

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

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

#### 3.4.7 Cash Flow Statement

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

#### 3.4.8 Operating cycle

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

#### 3.4.9 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.

#### 3.4.10 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.

#### 3.5 Change in accounting policies and disclosures

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment -

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Company.



### 3.4.3 Financial liabilities

#### Financial Liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

#### Financial liabilities subsequently measured at amortised cost

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

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

#### Financial Guarantee contract

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

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

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

### 3.4.4 Derecognition of financial liabilities

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

### 3.4.5 Leasing arrangement

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

#### **As a lessee**

##### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### **ii) Lease liabilities**

At the commencement of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### **As a lessor**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

#### **Implementation of 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 today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

On transition to Ind AS 116, The company applied practical expedient to apply Ind AS 116 only to the contracts that were previously identified as leases. Contract that were not classified as leases under Ind As 17 were not assessed.

Also, the company has applied exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of leases term or in case of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



**3.6 The areas involving critical estimates are:**

**i Estimation of defined benefit obligation**

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

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

**ii) Fair Value of Investment**

The Company has evaluated the fair value of its investment based on fair valuation conducted by an independent expert (Also refer note 5.1 and note 33.2). As per management estimate there is no change in the fair value of investment as compared to previous years.

**iii) Useful life of property , plant and equipment**

As described in note 2.3 above, the company reviews the estimated useful lives of property plant and equipment at end of each annual reporting period.



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**4. Property, Plant and Equipment**

Accounting Policy

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

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

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

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets whose estimated useful life is assessed based on technical advice, taking into account the regulatory prescribed rates, nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

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

Plant and Equipments - Solar Plants : 15 years

Motor Vehicles : 5 years

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

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

	₹ Lakhs				
	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
<b>Cost</b>					
Balance as at 1st April, 2019	5,857.53	3.30	8.65	25.91	5,895.39
Additions	13.52	-	0.46	4.83	18.81
Disposals	23.25	0.07	1.68	4.09	29.09
<b>Balance as at 31st March, 2020</b>	<b>5,847.80</b>	<b>3.23</b>	<b>7.43</b>	<b>26.65</b>	<b>5,885.11</b>
<b>Accumulated depreciation</b>					
Balance as at 1st April, 2019	1,146.76	1.58	6.02	19.96	1,174.32
Depreciation Expense	364.36	0.23	0.91	1.48	366.98
Disposal of Assets	21.72	0.06	1.46	3.70	26.94
<b>Balance as at 31st March, 2020</b>	<b>1,489.40</b>	<b>1.75</b>	<b>5.47</b>	<b>17.74</b>	<b>1,514.36</b>
<b>Net carrying amount</b>					
As at 31st March, 2020	4,358.40	1.48	1.96	8.91	4,370.75
As at 31st March, 2019	4,710.77	1.72	2.63	5.95	4,721.07

	₹ Lakhs				
	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
<b>Cost</b>					
Balance as at 1st April, 2018	5,859.59	3.30	7.83	25.91	5,896.63
Additions	1.11	-	0.82	-	1.93
Disposals	3.17	-	-	-	3.17
<b>Balance as at 31st March, 2019</b>	<b>5,857.53</b>	<b>3.30</b>	<b>8.65</b>	<b>25.91</b>	<b>5,895.39</b>
<b>Accumulated depreciation</b>					
Balance as at 1st April, 2018	781.21	1.35	5.14	16.94	804.64
Depreciation Expense	367.29	0.23	0.88	3.02	371.42
Disposal of Assets	1.74	-	-	-	1.74
<b>Balance as at 31st March, 2019</b>	<b>1,146.76</b>	<b>1.58</b>	<b>6.02</b>	<b>19.96</b>	<b>1,174.32</b>
<b>Net carrying amount</b>					
As at 31st March, 2019	4,710.77	1.72	2.63	5.95	4,721.07
As at 31st March, 2018	5,078.38	1.95	2.69	8.97	5,091.99

Notes :

Plant and equipment with a carrying amount of Rs. 4326.49 lakhs (as at 31st March, 2019 - Rs. 4702.34 lakhs) have been pledged to secure borrowings of the Company (see note 15).



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**5. Other intangible assets**

Accounting Policy

**Intangible assets acquired separately**

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

**Derecognition of intangible assets**

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

**Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows:

Computer software licence : 5 years

	₹ Lakhs	
	Computer software	Total
<b>Cost</b>		
Balance as at 1st April, 2019	735.64	735.64
Additions	-	-
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b>735.64</b>	<b>735.64</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1st April, 2019	612.78	612.78
Amortisation expense	86.66	86.66
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b>699.44</b>	<b>699.44</b>
<b>Net Block</b>		
As at 31st March, 2020	36.20	36.20
As at 31st March, 2019	122.86	122.86

	₹ Lakhs	
	Computer software	Total
<b>Cost</b>		
Balance as at 1st April, 2018	735.50	735.50
Additions	0.14	0.14
Disposal	-	-
<b>Balance as at 31st March, 2019</b>	<b>735.64</b>	<b>735.64</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1st April, 2018	526.13	526.13
Amortisation expense	86.65	86.65
<b>Balance as at 31st March, 2019</b>	<b>612.78</b>	<b>612.78</b>
<b>Net Block</b>		
As at 31st March, 2019	122.86	122.86
As at 31st March, 2018	209.37	209.37

The Company holds intangible assets comprising SAP licences for the ERP system implemented in the Company.



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**5.1 Non-current Investments**

	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Numbers	Numbers	₹ Lakhs	₹ Lakhs
<b>Investments carried at fair value</b>				
<b>Unquoted Investments (all fully paid)</b>				
a) Investments in Preference instruments at FVTPL-Tata ceramics Limited	-	3,00,000	-	387.00
Less: Fair value changes			-	(387.00)
b) Investments in equity instruments at FVTPL-Power Exchange India Limited	25,00,000	25,00,000	250.00	250.00
Less: Fair value changes			(250.00)	(250.00)
<b>Total Aggregate Unquoted Investments</b>			-	-

- i) 25,00,000 equity share of ₹ 10 each fully paid up in Power Exchange India Limited  
ii) During the year company has sold its complete investments in Preference shares of Tata Ceramics Limited for Rs. 100.

**6. Trade Receivables**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Current Trade Receivables</b>		
Considered good	54,528.16	56,608.78
Considered doubtful	434.40	575.52
	54,962.56	57,184.30
Less: Allowance for Doubtful Trade Receivables	(434.40)	(575.52)
<b>Total</b>	<b>54,528.16</b>	<b>56,608.78</b>

The credit period on sale of power up to 90 days. Interest is charged at 15% to 18% per annum on outstanding balance beyond the credit period.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix computed as per historical experience and expected credit loss.

**Age of receivables**

	As at	As at
	31st March, 2020	31st March, 2019
Within the credit period	20,711.96	27,252.76
1-90 days past due	17,141.03	16,218.91
91-182 days past due	7,261.20	3,533.79
More than 182 days past due	9,848.37	10,178.84
	<b>54,962.56</b>	<b>57,184.30</b>

**7. Contract Balances**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Contract assets</b>		
<b>Receivables</b>		
Trade receivables (Gross)	54,962.56	57,184.30
Unbilled revenue and agency receivable	8,481.80	11,580.96
Less : Allowances for doubtful debts	(434.40)	(575.52)
<b>Net receivables</b>	<b>63,009.96</b>	<b>68,189.74</b>
<b>Contract liabilities</b>		
- Advance from customers	1,523.39	1,025.80
<b>Total Contract Liabilities</b>	<b>1,523.39</b>	<b>1,025.80</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

**8. Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

	As at 31st March, 2020		As at 31st March, 2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Opening Balance</b>	-	1,025.80	-	10105.28
Less : Revenue recognized during the year from balance at the beginning of the year	-	(589.26)	-	(10,105.28)
Add : Advance received during the year not recognized as revenue	-	1,086.85	-	1,025.80
Add : Revenue recognized during the year apart from above	24003.78	-	25628.21	-
Transfer from contract assets to receivables	(24,003.78)	-	(25,628.21)	-
<b>Closing Balance</b>	-	1,523.39	-	1,025.80

Movement in the expected credit loss allowance	As at 31st March, 2020	As at 31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Balance at the beginning of the year</b>	575.52	597.11
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(141.12)	(21.59)
<b>Balance at the end of the year</b>	434.40	575.52



Tata Power Trading Company Limited  
Notes forming part of Financial Statements

9. Other Financial Assets

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Non-current</b>		
(i) Security Deposits		
Unsecured, considered good		
Security Deposits	1.49	-
	1.49	-
<b>Current</b>		
(i) Security Deposits		
Unsecured, considered good		
Security Deposits	1,287.28	620.01
Unsecured, considered doubtful		
Security Deposits	5.00	5.00
Less: Provision	(5.00)	(5.00)
	1,287.28	620.01
(ii) Advances		
Unsecured, considered good		
Advances	38.82	573.63
Unsecured, considered doubtful		
Advances	48.69	68.28
Less: Provision for doubtful advances	(48.69)	(68.28)
	38.82	573.63
	1,326.10	1,193.64

10. Non-current tax Assets

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Non-current tax assets</b>		
Advance Income-tax (Net of provisions)	239.57	213.93
	239.57	213.93



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**11. Other Assets**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Non-current</b>		
(i) Prepaid expenses	7.60	8.00
	<b>7.60</b>	<b>8.00</b>
<b>Current</b>		
(i) <b>Balances with Government Authorities</b>		
Indirect tax input credit receivable	2.02	2.40
(ii) <b>Other Loans and Advances</b>		
Unsecured, considered good Prepaid Expenses and other advances	12.92	13.77
	<b>14.94</b>	<b>16.17</b>

**12. Cash and Cash Equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash/cheques 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash/cheques on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
(i) Balances with Banks:		
In Current Accounts	2016.73	8.24
<b>Cash and Cash Equivalent as per Balance Sheet</b>	<b>2016.73</b>	<b>8.24</b>
Bank Overdraft (Refer Note No.20)	(0.74)	(14266.01)
<b>Cash and Cash Equivalent as per Statement of Cash Flows</b>	<b>2,015.99</b>	<b>(14257.77)</b>
(ii) <b>Changes in liabilities from financing activities</b>		
Opening balance of Non-Current borrowings (including current maturity of non-current borrowings)	3,143.56	3403.99
Proceeds during the year		
Repayment during the year	(282.06)	(260.43)
<b>Closing balance</b>	<b>2861.50</b>	<b>3,143.56</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**13. Equity - Share Capital**

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lakhs	Number	₹ Lakhs
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Preference Shares of ₹ 10/- each	1,80,00,000	1,800	1,80,00,000	1,800
		3,800		3,800
<b>Issued and subscribed capital comprises:</b>				
Fully paid equity shares of Rs 10 each.	1,60,00,000	1,600	1,60,00,000	1,600
<b>Total Issued, Subscribed and fully Paid-up Share Capital</b>		<b>1,600</b>		<b>1,600</b>

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

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lakhs	Number	₹ Lakhs
<b>Equity Shares</b>				
At the beginning of the year	1,60,00,000	1,600	1,60,00,000	1,600
Issued during the year	-	-	-	-
Left outstanding at the end of the year	1,60,00,000	1,600	1,60,00,000	1,600

**(ii) Terms/rights attached to Equity Shares**

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

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

	As at 31st March, 2020		As at 31st March, 2019	
	Number	% Holding	Number	% Holding
<b>Equity Shares of ₹ 10/- each fully paid</b>				
The Tata Power Company Limited, Holding Company	1,60,00,000	100%	1,60,00,000.00	100%

**14. Other Equity**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>General Reserve</b>		
Balance at the end of the period	1,355.00	1,355.00
<b>Securities Premium Account</b>		
Balance at the end of the period	2,089.50	2,089.50
<b>Retained Earnings</b>		
Balance at the beginning of the period	14,143.06	10,587.09
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(16.06)	(15.21)
Add: Profit for the period	4,071.24	3,689.76
Less: Payment of dividend on equity share ₹ Nil per share (Previous year ₹ 0.625 per share)	-	100.00
Less: Tax on Dividend	-	18.58
<b>Closing Balance</b>	<b>18,198.24</b>	<b>14,143.06</b>
<b>Deemed capital contribution from Holding company</b>		
Balance at the end of the period	8.30	8.30
<b>Total of Other Equity</b>	<b>21,651.04</b>	<b>17,595.86</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**15. Non-current Borrowings**

(i) Secured - At Amortised Cost

	As at 31st March, 2020	As at 31st March, 2019
	Non-current ₹ Lakhs	Non-current ₹ Lakhs
<b>Term Loans from Banks</b>		
Kotak Mahindra Bank	2,861.50	3,143.56
Less : Current maturities of long term debt (refer Note 16)	(310.18)	(282.06)
<b>Total</b>	<b>2,551.32</b>	<b>2,861.50</b>

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

As at 31st March, 2020	Amount outstanding Rs. in Lacs	Repayment terms for outstanding balance	Rate of interest
Kotak Mahindra Bank	350.00	20 equal quarterly installments from 30th June, 2020 to 31st March, 2025	6 months MCLR + 10 basis points i.e. 8.40% as at 31st March, 2020
Kotak Mahindra Bank	1,215.68	29 quarterly installments from 30th June, 2020 to 30th June, 2027	6 months MCLR + 10 basis points i.e. 8.40% as at 31st March, 2020
Kotak Mahindra Bank	1,295.82	33 quarterly installments from 16th April, 2020 to 16th April, 2028	6 months MCLR + 10 basis points i.e. 8.40% as at 31st March, 2020
<b>Total</b>	<b>2,861.50</b>		

As at 31st March, 2019	Amount outstanding Rs. in Lacs	Repayment terms for outstanding balance	Rate of interest
Kotak Mahindra Bank	420.00	24 equal quarterly installments from 30th June, 2019 to 31st March, 2025	6 months MCLR + 10 basis points i.e. 8.95% as at 31st March, 2019
Kotak Mahindra Bank	1,341.16	33 quarterly installments from 30th June, 2019 to 30th June, 2027	6 months MCLR + 10 basis points i.e. 8.95% as at 31st March, 2019
Kotak Mahindra Bank	1,382.40	37 quarterly installments from 16th April, 2019 to 16th April, 2028	6 months MCLR + 10 basis points i.e. 8.95% as at 31st March, 2019
<b>Total</b>	<b>3,143.56</b>		

**Security Terms**

- (iii) Exclusive charge over the moveable fixed assets of the project (ie., Wind & solar projects) and exclusive charge on project receivables.  
 (iv) Balance outstanding as at 31st March, 2020 is Rs. 2,861.50 lakhs (31st March, 2019 - Rs. 3,143.56 lakhs) of which Rs. 310.18 lakhs (31st March, 2019 - Rs. 282.06 lakhs) pertains to current maturities of long term borrowings (see note 16).  
 (v) The Company has not defaulted on repayment of loan and interest payment thereon during the current and previous year.



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**16. Other Financial Liabilities**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Current</b>		
(a) Current Maturities of Long-term Debt (Refer note 15)	310.18	282.06
(b) Interest accrued but not due on Borrowings	20.70	23.90
(c) Other Payables		
Security Deposits from Customers	631.30	589.26
Security Deposits from Others	5.37	5.37
<b>Total</b>	<b>967.55</b>	<b>900.59</b>

**17. Provisions**

Accounting Policy

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

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

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

Onerous contracts

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

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Non-current</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	112.26	108.71
Gratuity	157.80	142.22
Post Employment Medical Benefit	13.50	8.92
Ex-Gratia and retirement gift	22.56	21.28
Hospitalisation in Service and long service award	9.54	23.88
<b>Total Non-current Provisions</b>	<b>315.66</b>	<b>305.01</b>
<b>Current</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	5.96	4.12
Gratuity	5.65	2.65
Post Retirement Medical	0.13	-
Ex-Gratia and retirement gift	1.83	2.69
Hospitalisation in Service and long service award	-	1.63
<b>Total Current Provisions</b>	<b>13.57</b>	<b>11.09</b>



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**17.1 Employee benefit plan**

**17.2 Defined contribution plan**

The Company makes contribution towards provident fund which is a defined contribution plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in the Statement of Profit and Loss is Rs. 34.32 Lakhs (for the year ended 31st March, 2019 Rs. 38.69 Lakhs) and represents contribution payable to the Employee Provident Fund. As at 31st March, 2020, contribution of Rs. 4.59 Lakhs (as at 31st March, 2019 Rs. 9.08 Lakhs) due in respect of FY 2019-20 (FY 2018-19) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**17.3 Defined benefit plan**

**The Company operates the following unfunded defined benefit plans:**

**Post Employment Medical Benefits**

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

**Ex-Gratia Death Benefit**

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

**Retirement Gift**

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

**Gratuity**

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

**Pension Benefits**

The Company has a defined benefit pension plan. Employees who are in continuous service for a period of fifteen years are eligible for pension. The level of benefits provided depends on the member's length of service and salary at the retirement date

**Risks associated with Plan Provisions**

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

**Investment risk:**

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

**Interest risk (discount rate risk):**

A decrease in the bond interest rate (discount rate) will increase the plan liability.

**Mortality risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. Indian Assured Lives Mortality (2006-08) ultimate table has been used in respect of the above. A change in mortality rate will have a bearing on the plan's liability.

**Salary risk:**

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

**Demographic risk**

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

**Withdrawals**

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

**Principal actuarial assumptions for all the unfunded defined benefits plans:**

	As at 31-Mar-2020	As at 31-Mar-2019
Discount rate (p.a.)	6.50%	7.40%
Expected rate of salary increase (p.a.) - Management	7.00%	7.00%
Expected rate of salary increase (p.a.) - Non-Management	5.00%	5.00%

**Note:**

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



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**Demographic assumptions:**

	As at	As at
	31-Mar-2020	31-Mar-2019
Mortality table		
	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate (p.a.) (age 21 to 44 years)	6.00%	2.50%
Withdrawal rate (p.a.) (above 45 years of Age)	2.00%	1.00%

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

	Rs. in Lakhs	
	As at	As at
	31-Mar-2020	31-Mar-2019
<b>Service Cost</b>		
Current Service cost	24.29	23.96
Past Service cost	2.43	0.53
Net interest expense	11.79	10.15
<b>Component of defined benefit costs recognised in profit or loss</b>	<b>38.51</b>	<b>34.64</b>
<b>Remeasurement on the net defined benefit liability :</b>		
Actuarial (Gains)/losses arising from changes in demographic assumptions	-16.12	-
Actuarial (Gains)/losses arising from changes in financial assumptions	22.53	7.25
Actuarial (Gains)/losses arising from experience adjustment	15.05	16.13
<b>Components of defined benefit costs recognised in other comprehensive</b>	<b>21.46</b>	<b>23.38</b>
<b>Total</b>	<b>59.97</b>	<b>58.02</b>

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

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

Particulars	Rs. in Lakhs	
	As at	As at
	31-Mar-2020	31-Mar-2019
Present value of defined benefit obligation	(201.47)	(177.75)
<b>Present value of defined benefit obligation</b>	<b>(201.47)</b>	<b>(177.75)</b>

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

	Rs. in Lakhs	
	As at	As at
	31-Mar-2020	31-Mar-2019
Opening defined benefit obligations	177.75	137.49
Service cost	26.72	24.49
Interest cost	11.79	10.15
Acquisition credit/(cost)	5.51	-5.29
Actuarial losses arising from changes in demographic assumptions	-16.12	-
Actuarial (gains)/losses arising from changes in financial assumptions	22.53	7.25
Actuarial gains arising from experience adjustment	15.05	16.13
Benefits paid	-41.76	-12.47
<b>Closing defined benefit obligations</b>	<b>201.47</b>	<b>177.75</b>



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**Sensitivity Analysis**

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

Particulars	As at 31-Mar-2020 Rs.in Lakhs		As at 31-Mar-2019 Rs.in Lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) (% change compared to base due to sensitivity)	14.42 (7.16%)	(13.01) 6.46%	13.19 (7.42%)	(11.82) 6.65%
Growth Rate (-/+0.5%) (% change compared to base due to sensitivity)	(12.59) 6.25%	13.80 -6.85%	(9.10) 5.12%	12.65 (7.11%)
Mortality Rate (-/+1 year) (% change compared to base due to sensitivity)	(0.72) 0.36%	0.73 (0.36%)	- 0.00%	0.43 (0.24%)
Withdrawal Rate (-/+5%) (% change compared to base due to sensitivity)	- 0.00%	(32.61) 16.19%	0.43 (0.24%)	(26.44) 14.87%

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

	(Rs. in Lakhs)	
	31-Mar-2020	31-Mar-2019
Within 1 Year	7.85	5.53
Between 1 - 2 years	8.80	37.44
Between 2 - 3 years	10.31	4.37
Between 3 - 4 years	10.56	5.22
Between 4 - 5 years	12.03	6.22
Beyond 5 Years	115.62	48.61
	<b>165.17</b>	<b>107.39</b>
	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)	7.4 years	8.1 years



Tata Power Trading Company Limited  
Notes forming part of Financial Statements

18. Deferred Tax Liabilities (Net)

Accounting Policy

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

The carrying amount of deferred tax assets is reviewed at 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Deferred Tax Assets	198.87	301.23
Deferred Tax Liabilities	(1,002.54)	(1,448.85)
<b>Total - Net Deferred Tax Liabilities</b>	<b>(803.67)</b>	<b>(1,147.62)</b>

Year ended March 31, 2020	Opening Balance	Recognised in Profit or loss	Utilised during the year	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets in relation to</b>					
Allowance for Doubtful Debts, Deposits and Advances	226.69	(103.85)		-	122.84
Provision for Employee Benefits and Others	74.54	(3.91)		5.40	76.03
MAT Credit entitlement of earlier years*	-	12.32	(12.32)		-
	<b>301.23</b>	<b>(95.44)</b>	<b>(12.32)</b>	<b>5.40</b>	<b>198.87</b>
<b>Deferred tax liabilities in relation to</b>					
Property, Plant and Equipment	1,448.85	(446.31)		-	1,002.54
	<b>1,448.85</b>	<b>(446.31)</b>			<b>1,002.54</b>
<b>Net Deferred Tax Liability</b>	<b>1,147.62</b>	<b>(350.87)</b>	<b>12.32</b>	<b>(5.40)</b>	<b>803.67</b>

\*The company have booked & utilised MAT credit amounting Rs. 12.32Lakhs for year FY 2018-19 on the basis of return filed.

Year ended March 31, 2019	Opening Balance	Recognised in Profit or loss	Utilised during the year	Recognised in other comprehensive Income	Closing balance
<b>Deferred Tax Assets in relation to</b>					
Allowance for Doubtful Debts, Deposits and Advances	231.15	(4.46)		-	226.69
Provision for Employee Benefits and Others	55.47	10.90		8.17	74.54
MAT Credit entitlement	249.39	-	(249.39)		-
	<b>536.01</b>	<b>6.44</b>	<b>(249.39)</b>	<b>8.17</b>	<b>301.23</b>
<b>Deferred Tax Liabilities in relation to</b>					
Property, Plant and Equipment	1,459.02	(10.17)		-	1,448.85
	<b>1,459.02</b>	<b>(10.17)</b>			<b>1,448.85</b>
<b>Net Deferred Tax Liability</b>	<b>923.01</b>	<b>(16.61)</b>	<b>249.39</b>	<b>(8.17)</b>	<b>1,147.62</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**19. Other Current Liabilities**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Current</b>		
Statutory Liabilities	103.33	134.72
Advance payments received from Customers	1,523.39	1,025.80
Other Liabilities	59.51	6.48
	<b>1,686.23</b>	<b>1,167.00</b>

**20. Current Borrowings**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Secured - At Amortised Cost</b>		
<b>From Banks</b>		
Bank Overdraft (refer note 1 and 2 below)	0.74	14,266.01
	<b>0.74</b>	<b>14,266.01</b>

**Security**

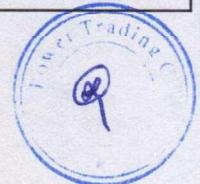
1. Secured by a first charge by way of hypothecation of the Company's moveable including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks except project receivables.
2. The weighted average effective interest rate on the bank loans is 8.40% per annum (as at 31 March, 2019: 8.34% per annum)

**21. Trade payables**

	As at	As at
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Trade payables (see note below)</b>		
- Total outstanding dues of creditors other than micro enterprises & small enterprises.	41,433.56	34,506.24
- Total outstanding dues of micro enterprises & small enterprises	-	-
	<b>41,433.56</b>	<b>34,506.24</b>

**Note:**

- i. The average credit period is upto 30 days for the Company.
- ii. Based on information available with the company, the balance due to micro, small enterprises as defined under the micro, small & medium enterprises development (MSMED) Act, 2006 is Rs Nil (31st March 2019 : Rs Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act 2006.



## 22. Revenue from Operations

### Accounting Policy

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 and specific criteria have been met for each of the Company's activities as described below.

#### i. Sale of electricity

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 pre determined rate. As the customer simultaneously receives and consumes the benefits of the Company's performance obligation, it best depicts the value to the customer and complete satisfaction of performance obligation.

In the arrangements the Company is acting as an agent, the revenue is recognized on net basis when the units of electricity are delivered to power procurers because this is when the Company transfers control over its services and the customer benefits from the Company's such agency services.

The Company determines its revenue on certain contracts net of power purchase cost based on the following factors:

a. another party is primarily responsible for fulfilling the contract as the Company does not have the ability to direct the use of power supplied or obtain benefits from supply of power.

b. the Company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.

c. the Company has no discretion in establishing the price for supply of power. The Company's consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

For other contract which does not qualify the conditions mentioned above, revenue is determined on gross basis.

Customers are billed based on contractually agreed frequency which is generally monthly or at the end of supply in case supply is for a part of the month and are given credit period on sale of power up to 90 days. Interest is charged at 15% to 18% per annum on the outstanding balance beyond the credit period.

#### ii. Rendering of Services

Revenue in the nature of advisory services rendered towards finalisation of power purchase agreements, load management etc. is recognised as determined under the terms of respective agreements. For sale of power under banking arrangements only margin earned on the transactions is accounted for as revenue.

#### iii. Delayed payment and compensation charges

Delayed payment charges for power supply on grounds of prudence are recognised when recovery is virtually certain.

Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.

#### iv. Dividend and Interest income

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

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

	For Year ended 31st March, 2020	For Year ended 31st March, 2019
	₹ Lakhs	₹ Lakhs
(a) Revenue from power supply	17,929.05	19,118.46
(b) Revenue from power supply of agency nature (refer note 22.1)	6,074.73	6,509.75
<b>i. Total revenue from power supply</b>	<b>24,003.78</b>	<b>25,628.21</b>
<b>ii. Other Operating Revenue</b>		
(i) Income in respect of services rendered	93.07	114.55
(ii) Compensation income	8.38	-
(iii) Liabilities no longer required written back	-	57.71
(iv) Delayed payment charges recovered	20.63	29.81
(iv) Provision for doubtful debts and advances written back	160.71	12.77
(v) Other income	507.27	373.11
(vi) Gain on Disposal of Property, Plant and Equipment (Net)	0.65	0.03
	<b>790.71</b>	<b>587.98</b>
<b>Total Revenue from Operations</b>	<b>24,794.49</b>	<b>26,216.19</b>

### 22.1 Revenue from Power Supply of agency nature

	For Year ended 31st March, 2020	For Year ended 31st March, 2019
	₹ Lakhs	₹ Lakhs
Revenue from Power Supply of agency nature (gross)	4,21,375.69	4,03,616.99
(Less): Cost of power purchase of agency nature (gross)	(4,15,300.96)	(3,97,107.24)
	<b>6,074.73</b>	<b>6,509.75</b>



23. The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

**24. Disaggregation of Revenue**

The Company has a single stream of revenue i.e. sale of power. Revenue from Contracts with Customers reconciliation has been given as under:

	For Year ended 31st March, 2020 ₹ Lakhs	For Year ended 31st March, 2019 ₹ Lakhs
Revenue from Contracts with Customers	24296.46	26123.48
Other Operating revenue	498.03	92.71
<b>Revenue from Operations</b>	<b>24794.49</b>	<b>26216.19</b>

**25. Other Income**

	For Year ended 31st March, 2020 ₹ Lakhs	For Year ended 31st March, 2019 ₹ Lakhs
(a) <b>Gain on Investments</b>		
Gain on Current Investment measured at FVTPL-Mutual Funds	110.36	218.20
	<b>110.36</b>	<b>218.20</b>
(b) <b>Other Non-operating Income</b>		
Interest Income from fixed deposits	-	3.08
Other interest	7.99	9.90
Liabilities no longer required written back	275.30	-
	<b>283.29</b>	<b>12.98</b>
<b>Total Other Income</b>	<b>393.65</b>	<b>231.18</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**Accounting Policy**

**26. Employee Benefits Expense**

**a. Defined contribution plans**

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

**b. Defined benefits plans**

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

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

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

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**Short-term and other long-term employee benefits**

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

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

Liabilities recognised in respect of other non-current 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.

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
Salaries and Wages	758.00	960.56
Contribution to Provident Fund	35.33	38.69
Gratuity Expense	28.59	1.59
Staff Welfare Expenses	93.34	99.49
	<b>915.26</b>	<b>1,100.33</b>

**27. Finance Costs**

**Accounting Policy**

**Borrowing costs**

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

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

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>(a) Interest Expense:</b>		
<b>Borrowings</b>		
Interest on Borrowings from Related Parties	19.05	66.77
Interest on Loans - Banks & Financial Institutions	630.70	625.17
<b>Others</b>		
Interest on Bank Overdraft	69.57	122.46
	<b>719.32</b>	<b>814.40</b>
Bank charges	120.00	73.15
	<b>120.00</b>	<b>73.15</b>
	<b>839.32</b>	<b>887.55</b>



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**28. Other Expenses**

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
Rental of Land, Buildings, Plant and Equipment, etc.	137.76	135.00
Insurance	22.39	22.53
Other Operation Expenses	126.19	140.43
Travelling and Conveyance Expenses	54.52	59.72
Consultants' Fees	99.38	161.15
Auditors' Remuneration	23.22	21.52
Cost of Services Procured	428.58	320.29
Brand Equity Expenses	70.00	341.00
Amortisation of Advance Towards Leasehold Land	-	0.40
Legal Charges	49.95	52.20
Corporate Social Responsibility Expenses	60.00	42.99
Bad debts	110.92	14.31
Rates and taxes	108.28	0.36
Miscellaneous Expenses	177.53	166.85
<b>Total</b>	<b>1,468.72</b>	<b>1,478.75</b>
<b>Note:</b>		
<b>Payment to Statutory Auditors comprise (inclusive of GST)</b>		
- For Statutory audit & limited review	13.55	13.55
- For Tax audit	2.12	2.12
- For Other services	4.60	4.25
- For Reimbursement of expenses	2.95	1.60
<b>Total</b>	<b>23.22</b>	<b>21.52</b>

**29. Income taxes**

**Accounting Policy**

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

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

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Current tax</b>		
In respect of the current year	1284.00	2044.66
In respect of the previous years	15.56	10.22
	<b>1,299.56</b>	<b>2,054.88</b>
<b>Deferred tax</b>		
In respect of the current year	(350.87)	(16.61)
Total Deferred tax expense	<b>(350.87)</b>	<b>(16.61)</b>
<b>Total income tax expense</b>	<b>948.69</b>	<b>2,038.27</b>

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

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
<b>Profit before tax</b>	<b>5,019.93</b>	<b>5,728.03</b>
Income tax expense calculated at 25.17% (2018-19: 34.944%)	1,263.52	2,001.60
Effect of expenses that are not deductible in determining taxable profit	2.92	18.28
Effect related to adjustment for previous years	3.24	10.22
Effect of items not reclassified to profit & loss account	5.40	8.17
Remeasurement of deferred tax on account of new tax regime	(326.39)	-
	<b>948.69</b>	<b>2,038.27</b>

The tax rate used for the years 2019-2020 and 2018-19 reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian income tax law.

**29.2 Income tax recognised in other comprehensive income**

	For Year ended	For Year ended
	31st March, 2020	31st March, 2019
	₹ Lakhs	₹ Lakhs
Remeasurements of defined benefit obligation	5.40	8.17
Total income tax recognised in other comprehensive income	<b>5.40</b>	<b>8.17</b>
Bifurcation of the income tax recognised in other comprehensive income into:		
- Item that will not be reclassified to profit or loss	5.40	8.17



**Tata Power Trading Company Limited**  
**Notes forming part of Financial Statements**

**30. Earnings per share**

**Accounting Policy**

**i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**ii) Diluted earnings per share**

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

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

	For Year ended 31st March, 2020	For Year ended 31st March, 2019
<b>Basic and Diluted earnings per share</b>	25.45	23.06

The financial statements have been prepared on a historical cost basis, except for certain financial assets & financial liability measured at fair value. The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

	For Year ended 31st March, 2020	For Year ended 31st March, 2019
	₹ Lakhs	₹ Lakhs
Profit for the year attributable to owners of the company	4,071.24	3,689.76
Earnings used in the calculation of basic/ diluted earnings per share (Rs. in Lacs)	4,071.24	3,689.76

	For Year ended 31st March, 2020	For Year ended 31st March, 2019
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.	1,60,00,000	1,60,00,000

Note: There are no potential equity shares which are anti-dilutive.

**31. Segment information**

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

**32. Related party disclosures**

(a)	<p><b>Name of related parties and description of relationship:</b></p> <p><b>Controlling entity (CE):</b> The Tata Power Company Limited (TPCL) (Holding Company)</p> <p><b>Fellow subsidiaries (where transactions have taken place during the period):</b></p> <p>(i) Tata Power Delhi Distribution Limited (TPDDL) (ii) Maithon Power Limited (MPL) (iii) Tata Power Solar Systems Limited (TPSS) (iv) Tata Power Renewal Energy Limited (TPREL) (v) Costal Gujrat Power Limited (CGPL) (vi) Welspun Renewable Energy Limited (WREL) (vii) Welspun Solar Kannada Private Limited (WSKPL) (viii) Vagarai Windfarms Limited (VWFL) (ix) Powerlinks Transmission Limited (PTL) (x) Clean Sustainable Solar Energy Private Limited (CSSEL) (xi) Chirasthayee Sauraya Limited (CSL)</p> <p><b>Associates of Controlling entity (where transactions have taken place during the year):</b></p> <p>(i) Dagachhu Hydro Power Corporation Ltd (DHPC) (ii) Tata Communications Ltd (TCL)</p> <p><b>Promoters together with its subsidiary holding more than 20% in Controlling entity:</b></p> <p>(i) Tata Sons Private Limited</p> <p><b>Subsidiaries and Jointly control entities of promoter:</b></p> <p>(i) Tata Consultancy Limited (ii) Tata AIG General Insurance Company Limited (iii) Tata Teleservices Limited</p> <p><b>Key Management Personnel (KMP)</b></p> <p>(i) Sanjeev Mehra, Managing Director (till 30th November 2019) (ii) Bhaskar Sarkar, Chief Executive Officer (wef from 1st December 2019) (iii) Suranjit Mishra, Chief Financial Officer (till 31st July 2019) (iv) Lalit Narang, Chief Financial Officer (wef from 1st August 2019 to 24th January 2020) (v) Ritu Gupta, Chief Financial Officer (wef from 25th January 2020) (vi) Neha Malik, Company Secretary</p>
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Tata Power Trading Company Limited  
Notes to the financial statements

(b) Transaction / balances outstanding with related parties

Particulars	CE		Fellow subsidiaries										Associates of CE		KMP	Total	
	TPCL	TPDDL	MPL	TPSS	TPREL	CGPL	PTL	VWFL	WREL	WSKPL	CSL	Sub-total	DHPC	TCL			
(i) Details of transactions during the year ended 31st March, 2020																	
Revenue from power supply and rendering services*	-	1,24,421.18	-	491.26	12.22	-	-	32.34	5.07	0.89	3.87	1,24,966.83	-	1.84	-	-	1,24,968.67
	-	<i>1,10,932.62</i>	-	<i>381.36</i>	-	-	-	<i>28.87</i>	<i>2.12</i>	<i>0.36</i>	-	<i>1,11,345.53</i>	-	-	-	-	<i>1,11,345.53</i>
Cash discount allowed	-	1,871.26	-	-	-	-	-	-	-	-	-	1,871.26	-	-	-	-	1,871.26
	-	<i>1,683.94</i>	-	-	-	-	-	-	-	-	-	<i>1,683.94</i>	-	-	-	-	<i>1,683.94</i>
Revenue from sale of REC cert and other services	4.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.09
	<i>91.18</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>91.18</i>
Cost of power purchased	22,590.44	-	1,80,113.95	-	-	-	-	-	-	-	-	1,80,113.95	15,800.63	-	-	-	2,18,505.02
	<i>27,018.32</i>	<i>1,531.87</i>	<i>1,53,632.18</i>	-	-	-	-	-	-	-	-	<i>1,55,165.05</i>	<i>12,341.73</i>	-	-	-	<i>1,94,525.10</i>
Cash discount earned	418.91	-	3,254.78	-	-	-	-	-	-	-	-	3,254.78	281.98	-	-	-	3,955.67
The financial statements have been prepared on a historical cost	<i>469.31</i>	<i>30.64</i>	<i>3,575.54</i>	-	-	-	-	-	-	-	-	<i>3,606.18</i>	<i>246.83</i>	-	-	-	<i>4,322.32</i>
Managerial remuneration (see note 2 below)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	307.31	307.31
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>236.67</i>	<i>236.67</i>
Receiving of services	426.53	-	-	36.42	-	-	-	-	-	-	-	36.42	-	-	-	-	462.95
	<i>391.91</i>	-	-	<i>34.14</i>	-	-	-	-	-	-	-	<i>34.14</i>	-	-	-	-	<i>426.05</i>
Reimbursement of expenses-Paid	6.94	-	235.91	-	-	-	-	-	-	-	-	235.91	-	-	-	-	242.85
	<i>316.84</i>	<i>5.20</i>	<i>124.13</i>	-	-	-	-	-	-	-	-	<i>129.33</i>	-	-	-	-	<i>446.17</i>
Reimbursement of expenses-Recovered	-	811.02	-	3.31	-	-	-	-	2.64	0.18	-	817.15	1,443.47	-	-	-	2,260.62
	<i>967.63</i>	<i>1,348.95</i>	-	<i>42.64</i>	-	<i>1.28</i>	-	-	-	-	-	<i>1,392.87</i>	<i>1,285.95</i>	-	-	-	<i>3,646.45</i>
Purchase of Fixed Assets	-	4.82	-	-	-	-	-	-	-	-	-	4.82	-	-	-	-	4.82
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned on Inter corporate deposit given	0.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.33
	<i>9.90</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>9.90</i>
Interest paid on Inter corporate deposit taken	11.67	-	-	-	-	7.38	-	-	-	-	-	7.38	-	-	-	-	19.05
	<i>15.63</i>	-	-	-	<i>28.08</i>	-	<i>15.08</i>	-	<i>7.07</i>	-	-	<i>51.14</i>	-	-	-	-	<i>66.77</i>
Inter corporate deposit given	700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700.00
	<i>9,000.00</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>9,000.00</i>
Inter corporate deposit received back	700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700.00
	<i>9,000.00</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>9,000.00</i>
Inter corporate deposit taken	15,000.00	-	-	-	-	15,000.00	-	-	-	-	-	15,000.00	-	-	-	-	30,000.00
	<i>10,000.00</i>	-	-	-	<i>14,000.00</i>	-	<i>5,000.00</i>	-	<i>5,500.00</i>	-	-	<i>24,500.00</i>	-	-	-	-	<i>34,500.00</i>
Inter corporate deposit repaid	15,000.00	-	-	-	-	15,000.00	-	-	-	-	-	15,000.00	-	-	-	-	30,000.00
	<i>10,000.00</i>	-	-	-	<i>14,000.00</i>	-	<i>5,000.00</i>	-	<i>5,500.00</i>	-	-	<i>24,500.00</i>	-	-	-	-	<i>34,500.00</i>
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>1,100.00</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<i>1,100.00</i>

\*Represent gross agency revenue / cost

Notes:

- Figures in italics stated for year ended 31st March, 2019
- Managerial remuneration for KMP excludes provision for leave encashment and gratuity, as separate figures for KMP is not available.



Tata Power Trading Company Limited  
Notes to the financial statements

(c) Transaction / balances outstanding with related parties

Particulars	CE		Fellow subsidiaries								Associates of CE		Total	
	TPCL	TPDDL	MPL	TPSS	TPREL	CGPL	VWFL	WREL	WSKPL	CSL	Sub-total	DHPC		TCL
<b>(ii) Balance outstanding</b>														
Trade receivables														
As at 31.03.2020	-	7,567.70	-	-	-	-	6.29	2.40	0.06	1.09	7,577.54	-	-	7,577.54
As at 31.03.2019	-	21,429.51	328.92	1.74	0.22	1.28	8.69	0.71	0.11	-	21,771.18	12.10	1.06	21,784.34
Security Deposit payable														
As at 31.03.2020	-	-	-	1.25	-	-	-	1.53	0.30	-	3.08	-	-	3.08
As at 31.03.2019	-	-	-	1.25	-	-	-	1.53	0.27	-	3.05	-	-	3.05
Trade payables														
The financial statements have been prepared on a historical cost basis	1,971.91	-	13,194.96	27.86	-	-	-	-	-	-	13,222.82	591.91	-	15,786.64
As at 31.03.2019	2,625.91	-	12,584.01	47.05	-	-	-	-	-	-	12,631.06	-	-	15,256.97

Notes:

1. Figures in italics stated are balances as on 31st March, 2019



**Tata Power Trading Company Limited**  
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**(d) Balances outstanding with related parties**

(In Lakhs)

Particulars		Subsidiaries and Jointly control entities of promoter			Promoter
		Tata Consultancy Ltd	Tata AIG General Insurance Company Ltd	Tata Teleservices Ltd	Tata Sons Ltd
Receivable	March 31, 2020	-	-	14.37	-
	March 31, 2019	-	-	-	30.40
Payable	March 31, 2020	1.67	3.39	-	70.00
	March 31, 2019	1.67	-	-	-

**Transactions during the year**

(In Lakhs)

Particulars		Tata Consultancy Ltd	Tata AIG General Insurance Company Ltd	Tata Teleservices Ltd	Tata Sons Ltd
Revenue from sale of power and rendering services					
	For the period March 31, 2020	-	-	368.15	-
	For the period March 31, 2019	-	-	-	-
Receiving of services					
	For the period March 31, 2020	-	23.55	-	-
	The financial March 31, 2019	-	22.76	0.02	-
Reimbursement of expense recovered					
	For the period March 31, 2020	-	-	9.40	-
	For the period March 31, 2019	-	-	0.77	-
Brand Equity					
	For the period March 31, 2020	-	-	-	70.00
	For the period March 31, 2019	-	-	-	341.00

**Notes**

1. Figures in italics stated for year ended 31st March, 2019



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**33. Categories of financial instrument**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

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

	Carrying value		Fair Value	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Financial assets</b>				
Cash and Cash Equivalents	2,016.73	8.24	2,016.73	8.24
Trade Receivables	54,528.16	56,608.78	54,528.16	56,608.78
Unbilled Revenues and agency receivable	8,481.80	11,580.96	8,481.80	11,580.96
Other Non current & current financial assets	1,327.59	1,193.64	1,327.59	1,193.64
<b>Total</b>	<b>66,354.28</b>	<b>69,391.62</b>	<b>66,354.28</b>	<b>69,391.62</b>
<b>Financial liabilities</b>				
Trade Payables	41,433.56	34,506.24	41,433.56	34,506.24
Floating rate borrowings*	2,882.20	3,167.46	2,882.20	3,167.46
Other financial liabilities	636.67	594.63	636.67	594.63
	<b>44,952.43</b>	<b>38,268.33</b>	<b>44,952.43</b>	<b>38,268.33</b>

\* Includes current maturities of non-current borrowings and interest accrued but not due on borrowing

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

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

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

- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2020 and 31st March 2019 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares of Power Exchange India Limited	Net Asset Value Method	None	N.A	-

**33.2 Fair value hierarchy**

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

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



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

		Fair value hierarchy as at 31st March, 2020			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at fair value</b>					
FVTPL financial investments					
Investment in equity shares of Power Exchange India Limited	31st March, 2020	-	-	-	-
<b>Liabilities for which fair values are disclosed</b>					
Floating rate borrowings		-	2,861.50	-	2,861.50
<b>Total</b>		-	<b>2,861.50</b>	-	<b>2,861.50</b>
		Fair value hierarchy as at 31st March, 2019			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at fair value</b>					
FVTPL financial investments					
Investment in equity shares of Power Exchange India Limited	31st March, 2019	-	-	-	-
Investment in preference shares of Tata Ceramics Limited	21st March, 2018	-	-	-	-
<b>Liabilities for which fair values are disclosed</b>					
Floating rate borrowings		-	3,143.56	-	3,143.56
<b>Total</b>		-	<b>3,143.56</b>	-	<b>3,143.56</b>

**33.3 Capital Management & Gearing Ratio**

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

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

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

**Gearing ratio**

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

	31st March, 2020	31st March, 2019
Debt (i)	2,862.24	17,409.57
Less: Cash and Bank balances	2,016.73	8.24
<b>Net debt</b>	<b>845.51</b>	<b>17,401.33</b>
Total Capital (ii)	23,251.04	19,195.86
<b>Capital and net debt</b>	<b>24,096.55</b>	<b>36,597.19</b>
Net debt to Total Capital plus net debt ratio (%)	3.51	47.55

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

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



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The Company has been monitoring Net debt to Total Capital plus net debt ratio during the year as against Net debt to equity ratio monitored in the previous year. However, there is no change in the overall objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019.

**33.4 Financial risk management objectives and policies**

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

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

**Market risk**

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

The sensitivity analyses in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt as at 31st March, 2020. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

**Interest rate risk management**

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

**Interest rate sensitivity:**

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

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

	As of 31st March, 2020		As of 31st March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	14.31	(14.31)	15.72	(15.72)
Effect on profit before tax	(14.31)	14.31	(15.72)	15.72

₹ Lakhs

**Credit risk management**

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

	31st March, 2020	31st March, 2019
Trade receivables	54,528.16	56,608.78
Other Current & Non Current financial assets	1,327.59	1,193.64
<b>Total</b>	<b>55,855.75</b>	<b>57,802.42</b>

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



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding. Having regards to the nature of the business wherein the Company is able to generate fixed cash flows over a period of time and to optimize the cost of funding.

	₹ Lakhs				
	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
<b>31st March, 2020</b>					
<b>Non-Derivatives</b>					
Borrowings*	331.62	1,873.68	677.64	2,882.94	2,882.94
Interest on above borrowings	229.74	704.87	58.68	993.29	-
Trade Payables	41,433.56	-	-	41,433.56	41,433.56
Other Financial Liabilities	636.67	-	-	636.67	636.67
<b>Total Non-Derivative Liabilities</b>	<b>42,631.59</b>	<b>2,578.55</b>	<b>736.32</b>	<b>45,946.46</b>	<b>44,953.17</b>
<b>31st March, 2019</b>					
<b>Non-Derivatives</b>					
Borrowings*	14,571.97	1,392.19	1,469.30	17,433.46	17,433.46
Interest on above borrowings	269.09	787.89	244.14	1,301.12	-
Trade Payables	34,506.24	-	-	34,506.24	34,506.24
Other Financial Liabilities	594.63	-	-	594.63	594.63
<b>Total Non-Derivative Liabilities</b>	<b>49,941.93</b>	<b>2,180.08</b>	<b>1,713.44</b>	<b>53,835.45</b>	<b>52,534.33</b>

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

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

**Financing facilities**

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

Amount used

Amount unused

Secured bank overdraft and other loan facilities

Amount used

Amount unused

	₹ Lakhs	
	31st March, 2020	31st March, 2019
Secured Long term facility with various maturity dates through to 16th April, 2028.		
Amount used	2,861.50	3,143.56
Amount unused	-	-
Secured bank overdraft and other loan facilities		
Amount used	0.74	14,266.01
Amount unused	22,639.00	13,417.99



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**34. Contingent Liabilities**

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

**35. Capital Commitments**

As on reporting date open capex purchase order is as follow -

Order placed for	₹ Lakhs	
	31st March, 2020	31st March, 2019
Printer	1.89	-
Laptop	1.76	-

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

**37. Impact of Covid-19 on Business**

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the entity is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic. However, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

**38. Corporate Social Responsibility**

Gross amount required to be spent by the Company during the year ended 31st March, 2020: Rs. 59 Lakhs (Previous year Rs. 42.87 Lakhs)

Amount spent during the year ended 31st March, 2020 ₹ 60 Lakhs (Previous year ₹ 42.99 Lakhs).

	₹ Lakhs		
	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	60.00	-	60.00
	(41.05)	-1.94	(42.99)
iii) Details of related party transaction			
- Contribution during the year ended 31st March, 2020	-	-	-
	(-)	(-)	(-)
- Payable as at 31st March, 2020	-	-	-
	(-)	(-)	(-)

\* Figure in brackets pertain to the previous year



**Tata Power Trading Company Limited**  
**Notes forming part of financial statements**

**39. Approval of financial Statements**

The Financial Statements for the year ended March 31, 2020 were approved for issue by Board of Directors on April 29, 2020.

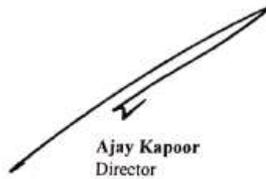
**The accompanying notes are an integral part of the financial statements**

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

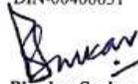
For and on behalf of the Board of Directors of  
Tata Power Trading Company Limited

  
per Sanjeev Kumar Singhal  
Partner  
Membership No/95377

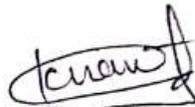
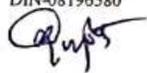




Ajay Kapoor  
Director  
DIN-00466631

  
Bhaskar Sarkar  
Chief Executive Officer

  
Neha Malik  
Company Secretary

  
Kiran Gupta  
Director  
DIN-08196580  
  
Ritu Gupta  
Chief Financial Officer

Place: New Delhi  
Date: 29th April, 2020

Place: New Delhi  
Date: 29th April, 2020

