TATA

TATA POWER TRADING COMPANY LIMITED

ANNUAL REPORT

FOR

FY 2022-23

TATA POWER TRADING COMPANY LIMITED

ANNUAL REPORT FOR FY 2022-23

CORPORATE INFORMATION
CORPORATE IDENTITY NUMBER
U40100MH2003PLC143770

Board of Directors

Mr. Sanjay Kumar Banga - Chairman

Mr. Amar Jit Chopra

Mr. Ajay Kapoor

Mr. Ganesh Srinivasan

Ms. Kiran Gupta

Chief Executive Officer	Mr. Tarun Katiyar
Chief Financial Officer	Mr. Vikas Gupta
Company Secretary	Ms. Komal Jolly till 3rd January 2023
Statutory Auditors	M/s S. R. Batliboi & Co. LLP, Chartered Accountants
Secretarial Auditors	M/s SBR & CO. LLP, Company Secretaries
Registered Office	Carnac Receiving Station, 34-Sant Tukaram Road, Carnac Bunder, Mumbai 400009
Corporate Office	Tata Power Trading Company Limited, Shatabdi Bhawan, B 12 & 13, Sector 4, Noida, Uttar Pradesh – 201301, India

Board's Report

To The Members,

The Directors present the Annual Report of Tata Power Trading Company Limited ("the Company" or "TPTCL") along with the audited financial statements for the financial year ended 31st March 2023.

1. FINANCIAL RESULTS

Particulars	Standalone	
	FY-2023 ₹ crore	FY-2022 ₹ crore
Revenue	404.76	373.14
Other income	11.82	14.16
Total income	416.58	387.30
Expenses		
Operating expenditure	381.39	307.82
Depreciation and amortization expenses	3.95	3.78
Total Expenses	385.34	311.6
Profit before finance cost and tax	31.24	75.70
Finance cost	2.94	3.45
Profit before tax (PBT)	**28.30**	**72.25**
Tax expense	7.42	17.44
Profit for the year	**20.88**	**54.82**
Attributable to:		
Shareholders of the company	20.88	54.82
Non-Controlling Interest	0	0
Opening Balance of retained earning	269.74	215.22
Profit for the Year	20.88	54.82
Other comprehensive income / (losses)	0.14	(0.30)
Total comprehensive income	21.02	54.52
Dividend	(72.00)	Nil
Buy-back of equity shares	Nil	Nil
Expenses for buy-back of equity shares	Nil	Nil
Issue of Bonus shares	Nil	Nil
Realized loss on equity shares carried at fair value through OCI	Nil	Nil
Transfer to Special Economic Zone re-investment reserve	Nil	Nil
Transfer from Special Economic Zone re-investment reserve	Nil	Nil
Transfer to reserve	Nil	Nil
Closing balance of retained earnings	218.75	269.74

2. DIVIDEND

The Board has recommended a dividend of ₹ 12 per fully paid Equity Share on (16,000,000) Equity Shares of face value ₹ 10 each, for the year ended March 31, 2023 (The Company had declared and paid a dividend of ₹ 45 per fully paid Equity Share on (16,000,000) Equity Shares of face value ₹ 10 each, for the previous year ended March 31, 2022).

The Dividend on Equity Shares (all Equity Shares are fully paid) is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Monday, 31st July 2023 at 5:00 p.m.

The dividend once approved by the Shareholders will be paid in accordance with the applicable provisions of the Companies Act 2013 and the rules made thereunder.

3. TRANSFER TO RESERVES

The Board of Directors have decided NIL amount of profit for Financial Year in the statement of profit and loss.

4. COMPANY'S PERFORMANCE

The revenue for FY 2023 was ₹ 404.76 crore, higher by 8.47% percent over the previous year's revenue of ₹ 373.14 crore in FY 2022. The profit after tax (PAT) attributable to shareholders for FY 2023 was ₹ 20.88 crore. PAT is 67% lower than last year's actuals on account of price commitment in sale agreement and higher power prices in market.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There is no unclaimed dividend to be transferred to Investor Education and Protection Fund.

6. STATE OF COMPANY'S AFFAIRS

- **Business Environment**

India has an installed generation capacity of 412 Giga Watt (GW) as on 28th February 2023. Generation capacity in the country has been steadily increasing, driven by investments by private players. During FY 23, 92% of the new capacity addition was in renewable segment i.e. in Solar and Wind Power Plants. The peak demand of the country has increased by 6.34% as compared to last year. Similarly, growth in energy requirement has increased to 10.72% as compared to last year. As per Central Electricity Authority's (CEA) Report, India's generating capacity comprises of 204 GW of Coal based capacity, about 7 GW of lignite based capacity, 25 GW of Gas based capacity, 46 GW of Hydro capacity, 122 GW of Renewable capacity and about 7 GW of Nuclear capacity.

The transmission sector plays an important role in the present power scenario which is characterized by geographical and seasonal diversity factors impacting demand and supply situation by facilitating transfer of power where required. Indian Power Transmission System is one of the largest integrated electricity transmission networks in the world. As per data available on Ministry of Power (MoP) website, Inter-State Transmission System (ISTS) in India is continuously expanding with current Inter – Regional Transmission capacity in excess of 112 GW.

The National Transmission Grid System is divided into five regional grids i.e. North, East, West, South and the North-East. Traditionally, there was not enough corridor for power flow from NEW (North-East-West) Grid to Southern Region. However, due to commissioning of new power projects, the availability of power in Southern region has increased significantly. This has resulted in reduced variance in the power market rates in Southern Region as compared to rest of the country.

As per CEA Power Supply Position Report for February 2023, the gap between requirement and availability of energy in FY23 has increased to 0.5%, as compared to 0.4% recorded during FY22. However, peak demand and supply gap has increased to 4% as compared to 1.2% recorded during FY22.

In line with the revised Guidelines issued by Ministry of Power (MoP), during FY 23, total ~130 tenders were floated for short term power purchase and 6 tenders were floated for Medium Term Power Purchase by the Distribution Companies (Discoms) through competitive bidding on "DEEP" Portal followed by Reverse Auction, totalling more than 74,560 Mega Watt (MW) of power for Short term and 1200 Mega Watt (MW) of power for Medium Term.

The average Short-Term power prices of Day Ahead Market have increased by 35% in FY23 as compared to FY22. The increase in DAM prices is largely attributable to the combined effect of surge in overall demand post Covid, erratic renewable generation, increase in international coal and gas prices, shortage in supply of domestic coal, especially during monsoons.

As per CEA, the total Electricity Generation from both conventional sources and RE sources is around ~1,487 BUs as on 28th February 2023. As per CERC Market Monitoring Report, share of total Short Term electricity traded volume through Bilateral and Power Exchange(s) is ~13% of total electricity generation as on 28th February 2023.

The volume traded through Bilateral stood at 4.4%, 6.8% through Power Exchange(s) and 1.8 % through Deviation Settlement Mechanism (DSM). The volume traded in short term power market in FY23 is ~13% which is in similar range as compared to that of FY22.

The sector is currently facing several challenges such as:

a. Lower trading Margins

The competition has grown fierce due to an increase in the number of Central Electricity Regulatory Commission (CERC) licensed traders and with the pressure of increasing market share. Due to this, trading margins are under pressure. New trading licensees including PSUs are aggressively trying to enter into the short term market with lower trading margin. The CERC has further made the regulations more stringent and have capped the chargeable trading margin to 2 paisa/unit, in case LC is not provided by the trader.

b. Poor Financial health of DISCOMs

Although several states have raised tariffs in the last few years, the financial condition of several distribution entities still remains a matter of concern. Improvement in financial health of DISCOMs would be crucial to power trading market development. With the implementation of MoP LPSC rule, the long pending dues of the DISCOMs' financial health have reduced drastically. Discoms are putting pressure on Ministry in terminating the high cost PPA (RE / Conventional) and replacing them with the low-cost Renewable power. However, at present, long term conventional power procurement by DISCOMs on the Case I route is not progressing as the Discoms are preferring to procure RE power being cost-effective.

c. Absence of Peaking Plants:

Due to the advent of high installed RE capacity and utilities procuring more of RE power, there is huge peaking requirement when RE power is on a lower side and thermal power is not available at once. As a result, procurers are going for Short Term power procurement and the rates during the peak hours are not coming down. The problem of higher rates during peak hours can be resolved only if more cost-effective solutions like Battery Energy Storage Systems and pump storage plants are available to cater the peak demand. In case the utilities will be able to meet their peak demand from Battery storage and pump storage projects, rates in Power Exchanges may reduce.

d. Open Access: hindered growth:

The unwillingness of DISCOMs to allow open access to its consumers, in spite of binding provisions in the Electricity Act, 2003, is acting as a major barrier to further growth and competition in the Power Trading sector. Growth in Open Access is constrained because of risks due to transmission corridor availability, regulatory risks, restrictive open access regime being followed in various States and excessive levels of cross subsidy charge. Further, due to inherent price fluctuations in short term market, open access power purchase becomes unviable in some of the states intermittently.

During FY23, a promising focus on policy and regulatory reforms, and greater expansion of power markets has been observed. CERC & MoP came up with several pro-market policy interventions which include Deviation Settlement Mechanism Regulations, Renewable Generation Obligation

(RGO), Green Open Access Rules, Renewable Energy Certificates for Renewable Energy Generation Regulations and Connectivity and General Network Access to the inter-State Transmission System Regulations, 2022.

CERC has also rolled out High-Price Day Ahead Market (HP-DAM) from Feb'23 onwards which has helped the Gas based generating stations using imported RLNG (Re-gasified Liquefied Natural Gas) and Naphtha, Imported coal based generators, Battery Energy Storage Systems to sell their power in Power Exchange(s). Buyers will have option to auto-carry un-cleared bids from DAM to HP-DAM. Long Duration Contracts (LDC) was introduced by Power Exchanges which has enabled utilities with poor financial condition to procure power for a longer duration.

On the other hand, CERC had imposed price capping of Rs. 12.00 per kWh, which has now been further revised to Rs 10.00 per kWh for all power exchange transactions.

- **Operations**

As the Company has created a renewable energy generation portfolio, the operations section is divided into Trading Operation, Generation Operations and Value-Added Services.

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a. Trading Operation:

Your Company is the first company to be granted a license by the CERC in June 2004.

Your Company has traded 19070 MUs in FY23 as compared to 19433 MUs in the previous year. Your Company was ranked among the top 3 traders with a market share of 12.5% in FY23 for the total traded volume.

Your Company has presence in Noida and Mumbai along with resident representatives for the states Tamil Nadu, Andhra Pradesh, Karnataka, West Bengal & Gujarat. The trading operations are carried out from the Control Room at its Mumbai office and functions on 24x7 on 365 days basis.

In line with the approach of focusing on retail portfolio, your Company has traded about 6105 MUs at Power Exchange, 5810 MUs under Short term Bilateral Trade and 6600 MUs under Long Term & Medium Term Bilateral Trade. In cross border trade, your company sold 555 MUs.

Your Company has successfully deployed new digital modules and products, including Lead Management system for ESCO, Order Execution & Service Management system and Wind Power Generation Forecasting module, alongwith several functionalities and modules deployed in our existing Bidding Portal Samastt , including GDAM bid management system, for enhancing the exchange trading functionality form the benefit of our customers as part of our Digital transformation roadmap for automation of exchange activities. Automation of DAM & RTM bidding for large Hydro projects is being implemented for maximising trading volume in DAM and RTM markets from Hydro & Renewable projects. The overall Digitalisation index is improved to 92%.

b. Generation Operation:

Your Company has set up renewable energy-based generation projects in Tamil Nadu, Gujarat and Jharkhand. The update on generation operations is as follows:

i. 1.25 MW Sastra Solar Rooftop Project, Tamil Nadu

Your Company has set up a 1.25 MW Solar Rooftop Project in Shanmugha Arts, Science, Technology & Research Academy (SASTRA) University, Tamil Nadu. The project was commissioned on 15th March 2015, and a Power Purchase Agreement (PPA) is entered with SASTRA University for a period of 15 years.

During the year, the project generated 1.56 MUs (0.52 MUs in FY22) at a Plant Load Factor (PLF) of about 14%.

ii. 4 MW Wind Project Rojmal District Gujarat

4 MW (2 x 2 MW) Wind Power Plant at Rojmal, District Botad, Gujarat was commissioned on 17th April 2015. The power generated from the Project is tied up with Gujarat Urja Vikas Nigam limited (GUVNL) at a preferential tariff of ₹ 4.15/kWh for a period of 25 years.

During the year, the project generated 6.12 MUs (5.90 MUs in FY22) at a PLF of about 17.42%.

iii. 3 MW Noamundi Solar Project, West Singhbhum District, Jharkhand

Your company has set up a 3 MW Solar Power Project at Noamundi, West Singhbhum District, Jharkhand. A PPA is entered with Tata Steel for a period of 15 years. The project was commissioned on 23rd May 2017.

During the year, the project generated 4.17 MUs (3.92 MUs in FY22) at a PLF of about 16.2%.

c. Value Added Services

i. Open Access Services

Your company is engaged in providing professional services to Commercial & Industrial Consumers in optimizing their power procurement cost, by introducing Open Access for such clients, who are served through Bilateral and Power Exchange platforms and it has a portfolio of around 200 C&I clients.

Most of the Commercial & Industrial Clients are now looking beyond the reduction in power tariff through both conventional & RE power and are aspiring to get value added services from TPTCL, in managing their entire Energy management portfolio along with reduction/ optimisation of their units consumption ultimately resulting in reducing their overall energy cost. TPTCL has also completed ABT metering installation, testing & commissioning projects for C&I clients in potential states.

ii. Qualified Coordinating Agency (QCA)

Being in-firm power there are variations in schedule versus actual of RE power across different terrain in India. Without provision of aggregation in most of the states, the DSM amount in terms of percent of revenue earned by generators goes to state pool account. Under such situation, QCA has become a performance based service which requires it's own in-house forecasting platform.

During the year, our Company has entered into the states of Gujarat and Madhya Pradesh in addition to Karnataka, Andhra Pradesh and Rajasthan.

Company has engaged a 3rd party software developer for automation of Scheduling and DSM monitoring process to cater larger market share. Our Company is performing UAT of its QCA portal at cloud server (presently under service model) and shall take the ownership through transfer of source codes after completion of successful testing. Further to cater forecasting accuracy commitment, we are working on automated forecasting model to provide proof of concept trial to wind and solar generators.

iii. Consultancy Services for REC & ESCerts Trading

REC is the one of instruments to meet Renewable Power Obligation (RPO) in India. RPO has been introduced in India in 2010 to promote increased generation of renewable power in the country. The Renewable Purchase Obligation (RPO) is mandated by Central/State Regulatory Commission and is applicable to power distribution companies, Open Access consumer and Captive consumers. They are under obligation to buy RECs from renewable energy producers to meet this norm. Without REC Mechanism, it would have been very difficult for CPPs to comply with the concerned RPO Regulations. The consumer needs to procure a specific percentage of their consumption from Renewable sources of power. In FY 2023, the avg. RE Obligation according to MoP was 24.61 % of the total of consumption.

REC trade in FY23 was influenced by many changes, prominent among them being enforcement of REC Regulation 2022 on 5th Dec 2022 which revised the bifurcation of RECs . Non-Solar RECs before Dec 2022 traded at the floor price of ₹1000/REC in all the sessions and corresponding Solar REC got cleared at an average price of ₹1375/REC. After Dec 2022, in spite of removal of floor and forbearance price RECs got cleared at ₹ 1000/REC for all the sessions. In the area of Renewable

Energy Certificates (RECs) trading, TPTCL has emerged among the top three traders in the REC market and traded more than 12.86 Lac. RECs during the year.

Renewable Energy Trading: In view of developing a market for Renewable sources, CERC has launched Green – Day Ahead Market (GDAM) in Oct-21 through which any open access consumer, Captive client, Discoms can meet their RPO by procuring Renewable Power through GDAM market. The GDAM market is operational on Power Exchanges through a closed auction trading mechanism. In the GDAM market, the trades are executed on daily basis for the next day based on requirement of Renewable power. TPTCL has traded approx. 256.3 MUs in GDAM in FY 2023.

Overall, your Company has traded more than 705.6 MUs of Renewable Energy in FY2023 through Power exchanges and bilateral mode.

Energy saving certificates (ESCerts): Perform, Achieve and Trade is a scheme launched under National Mission on Enhanced Energy Efficiency, which is a market-based mechanism aimed to reduce specific energy consumption. This is the unique scheme which encapsulates all the major Energy Intensive sectors across India. The industries under the PAT Scheme are given a name of Designated Consumer (DC). These Designated Consumers are given a target to reduce their Specific Energy Consumption (SEC). As per the Scheme, the DCs who overachieve their targets are given Energy Saving Certificates and the DCs who are under achievers are entitled to purchase Energy Saving certificates to comply with the scheme. This activity is facilitated through the trade of the Energy Saving certificates on the Power Exchanges platform.

ESCerts trade for PAT cycle -II resumed on 14th Feb 2023 after a gap of around 11 months. BEE has announced the completion of PAT cycle -II ESCert trade on 27th June 2023.In the trading session conducted in FY-23, TPTCL traded more than 11 thousand ESCerts during the year.

iv. Advisory services to Group captive Power Plant opportunities

Your Company, from its conventional trading business, has also expanded into Group Captive Advisory Services as a Value Added Service Business Segment by engaging with Generators and Open Access Consumers in potential states of Maharashtra, Gujarat, Orissa, Uttar Pradesh, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh for both conventional and renewable power. In FY23, the Company had successfully facilitated 62.5 MW Poolavadi Windfarms project, 11.5 MW TP Kirnali Solar project, 10.1 MW TP Solapur Solar project, 10 MW TP Akkalkot Renewable project, 4 MW Nivade findfarm project, 12.5 MW TP Green Nature Solar project to Industrial and Commercial consumers including Tata Communication, Taj Hotels in Maharashtra under the Group Captive model. The Company also facilitated TPREL Vagarai wind farm project in Tamil Nadu with Open Access Consumers including Tata Realty under the Group Captive model. The Company is facilitating wind projects in Gujarat for sale to industrial consumers, including Tata Motors Sanand plant.

On the conventional energy front, the Company is presently engaging with Thermal Generators and Open Access Consumers in Maharashtra, Orissa & Tamil Nadu for expanding the Group Captive

Business Segment, in addition to renewable GCPP. The Company facilitated Captive Wheeling of power on open access from Tata Steel Captive Generator in Jamshedpur to their manufacturing facilities in Maharashtra and Orissa. The Company also facilitated Captive Wheeling of power from Tata Steel Captive Generator in Orissa to their manufacturing facility in Maharashtra.

The Company has Service Agreements with 150 MW Thermal Generators, 120 MW Solar Generator and 50 MW of Wind Generators for facilitating supply of power with Open Access Consumers in potential states. The Company had entered into service agreements with Wind Generators in Gujarat for facilitating sale of power to Industrial Consumers in Gujarat. The Company had entered into service contract with TPREL for facilitating GCPP advisory support to Solar Plants on a pan-India basis for Open Access Consumers.

v. ESCO Services

FY23 has been a landmark year for ESCO, wherein TPTCL has been accredited as a Grade 1 ESCO by Bureau of Energy Efficiency in August 2022, indicating "Very high ability to carry out energy efficiency audits and implement energy-saving projects". TPTCL was also awarded as the Winner (Large Sector) for 2 categories in the 6th Edition of CII National Energy Efficiency Circle Competition, 2022.

TPTCL is collaborating with M/s 75F Smart Innovations India , agreement signed in in October 2022, for promoting Automation and Energy-Efficiency Solutions for the Indian Commercial Buildings segment. Furthering the partnership into action, several orders have been bagged for commercial buildings in Delhi & Mumbai across Healthcare, Hospitality and Mixed-Use Realty. TPTCL also facilitated signing of MoU between Tata Power and Smart Innovation Norway towards building innovative solutions in the field of Energy Efficiency and Clean Energy.

- **Customer Satisfaction Survey**

TPTCL conducted its Annual Customer Satisfaction Survey for the Financial Year 2022-23 in which an Overall Satisfaction score of 93% was achieved. The survey was conducted through Computer Aided Web Interview (CAWI) methodology wherein customers were sent a customised online survey form through Microsoft Forms in which 122 out of 155 clients responded, achieving a response ratio of 79%. The key themes in the survey included - Overall Experience, Commercial Aspect, Service Quality, Staff accessibility, Customer listening and Customer Complaint Resolution. 96% of the surveyed customers surveyed agreed to recommend TPTCL to other clients, and 95% customers appreciated the service quality of TPTCL.

7. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of the business of the Company.

8. RESERVE

The net movement in the various reserves of the Company for FY23 and the previous year are as follows:

Particulars	FY23 ₹ crore	FY22 ₹ crore
Revaluation Reserve	Nil	Nil
Securities Premium Account	20.90	20.90
General Reserve	13.55	13.55

9. CHANGES IN SHARE CAPITAL

There is no change in share capital of the Company during the year under review.

10. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

The Company does not have any subsidiary, joint ventures and associate companies.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There has been no change in the directors of the Company during the FY 2023.

Mr. Ajay Kapoor and Mr. Ganesh Srinivasan retire by rotation and being eligible, offer themselves for re-appointment. A resolution seeking shareholders' approval for their re-appointment forms part of the Notice.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

(a) During the year under review following Key Managerial Personnel resigned:

- Ms. Ritu Gupta resigned as Chief Financial Officer (CFO) with effect from 31st May 2022.
- Mr. Amit Kumar Garg resigned as Chief Executive Officer (CEO) with effect from 31st July 2022.
- Ms. Komal Jolly resigned as Company Secretary with effect from 3rd January 2023

(b) During the year under review following Key Managerial Personnel were appointed:

- Mr. Vikas Gupta was appointed as Chief Financial Officer (CFO) with effect from 1st June 2022.
- Mr. Tarun Katiyar was appointed as Chief Executive Officer (CEO) with effect from 1st August 2022.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2023 are:

- Mr. Tarun Katiyar, Chief Executive Officer
- Mr. Vikas Gupta, Chief Financial Officer

- **Number of Board Meetings and dates**

Five Board Meetings were held during the year and the gap between two Board Meetings did not exceed 120 days. The dates on which said meetings were held are as follows:

i) 14th April 2022
ii) 20th May 2022
iii) 15th July 2022
iv) 17th October 2022
v) 17th January 2023

The names and categories of the Directors of the Board and their attendance at the Board Meeting(s) and last Annual General Meeting held during the year is listed below.

Sr. No.	Name of the Director	Category of Directorship	Number of Board Meetings attended during the Financial Year 2022-23	Attendance at the 19th AGM
1	Mr. Sanjay Kumar Banga	Non-Independent, Non-Executive Director	4	Yes
2	Mr. Ajay Kapoor	Non-Independent, Non-Executive Director	5	No
3	Ms. Kiran Gupta	Non-Independent, Non Executive (Woman) Director	5	Yes
4	Mr. Ganesh Srinivasan	Non-Independent, Non-Executive Director	4	No
5	Mr. Amar Jit Chopra	Non-Independent, Non-Executive Director	5	Yes

- **General Body Meeting(s)**

Nineteenth Annual General Meeting (AGM) of the Company was held on 24th June 2022.
There were no Extra Ordinary General Meeting (EGM) of the Company held during the FY 22-23.

- **Committees of the Board**

The Company has following Committees of the Board; the number of meetings held by the Committees is also mentioned.

i. Audit Committee:

Five Audit Committee Meetings were held during the year and the dates on which said meetings were held are as follows:

i) 6th April 2022
ii) 14th April 2022
iii) 19th May 2022
iv) 15th July 2022
v) 14th October 2022
vi) 17th January 2023

The Composition of Audit Committee as on 31st March 2023 is given below:

Table: Composition of Audit Committee and attendance of Audit Committee Meetings is listed below:

Sr. No.	Name of the Director	Category of Directorship	Number of Meetings attended during the Financial Year 2022-23
1	Mr. Amar Jit Chopra	Chairman	6
2	Mr. Ajay Kapoor	Member	6
3	Ms. Kiran Gupta	Member	6

ii. Corporate Social Responsibility Committee

Five Corporate Social Responsibility Committee Meetings were held during the year and the dates on which said meetings were held are as follows:

i) 14th April 2022
ii) 19th May 2022
iii) 15th July 2022
iv) 14th October 2022
v) 17th January 2023

The Composition of Corporate Social Responsibility Committee as on 31st March 2023 is given below:

Table: Composition of Corporate Social Responsibility Committee and attendance of Committee Meetings is listed below:

Sr. No.	Name of the Director	Category of Directorship	Number of Meetings attended during the Financial Year 2022-23
1	Mr. Amar Jit Chopra	Chairman	5
2	Mr. Ajay Kapoor	Member	5
3	Ms. Kiran Gupta	Member	5

iii. Committee of Directors (Commercial)

The Composition of Committee as on 31st March 2023 is given below:

Table: Composition of Committee of Directors (Commercial) and their designation(s)

Sr. No.	Name of the Director	Category of Directorship
1	Mr. Sanjay Kumar Banga	Chairman
2	Mr. Ajay Kapoor	Member
3	Mr. Ganesh Srinivasan	Member

No Committee of Directors (Commercial) meeting was held during the FY 22-23.

This is to confirm the above is a complete list of all Shareholder / Member meetings, Board and Committee meetings held during FY22-23.

12. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act 2013, the Annual Board Evaluation is not applicable to the Company.

13. DISCLOSURE UNDER RULE 9A OF CHAPTER III PART I OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

Disclosure under Rule 9A of Chapter III Part I of The Companies (Prospectus and Allotment of Securities) Rules, 2014 is not applicable on the Company as it is a wholly owned subsidiary of The Tata Power Company Limited.

14. REGULATORY

14.1. MNRE on 17 October, 2022 notified the Draft National Repowering Policy for Wind Power Project Regulations, 2022. The key highlights of the draft are mentioned below:

- NIWE has estimated repowering potential of the country to be 25406 MW considering wind turbines of capacity below 2 MW.
- The objectives of the Repowering Policy is optimum utilization of wind energy resources by maximizing energy (kWh) 2 yield/ km of the project area and utilizing the latest state of the art onshore Wind turbine technologies.
- Eligibility:
  - All wind turbines identified under BIS Act.
  - Wind turbines completed their design life.
  - Wind turbines below 2 MWrated capacity.
  - Turbines connected to a single Polling Sub Station (PSS).
  - Wind power Project with adjacent land area.
  - More than 90% of the total capacity of the project should have completed its design life
- Repowering Project: The capacity of the wind turbine will be enhanced by 1.5 times the aggregate capacity of old turbines. Repowering projects are classified into two types - Standalone and Aggregation Projects.

14.2. Notification of Renewable Generation Obligation (RGO) as per Revised Tariff Policy Regulation, 2016

MoP has proposed mandatory supply of renewable energy equivalent to minimum 25% of capacity by the thermal generating station for the stations commissioned after 1 April '24.

14.3. Draft (Electricity Amendment) Bill, 2022

The Union Power Ministry on 8 August, 2022, introduced the (Electricity Amendment) Bill, 2022 in Lok Sabha. Key points of the proposed amendment bill are given below:-

- Section 14 (b): Distribution of electricity by a distribution licensee in an area of supply in accordance with criteria prescribed by the Central Government
- Section 14 (b) (Sixth proviso): The Bill suggests to omit the words "through their own distribution system" for the distribution of electricity.

- Section 42: The discom owing network shall provide non - discriminatory open access to other licensees in the area of supply.
- Section 26: More power and functions of the NLDC for ensuring safety and security of the grid, and for the economic and efficient operation of the power system
- Section 28: The Bill provides for payment security mechanism to ensure timely payment of dues.
- Section 60:
    1. The power and associated costs from existing power purchase agreements (PPAs) with existing distribution licensee will be shared among all discoms in the area of supply.
    2. The State Government will set up cross subsidy balancing fund to deposit surplus of cross-subsidy of distribution licensee and to provide for any deficit with another distribution licensee in same area of supply.
- Section 62: The Appropriate Commission will determine maximum ceiling tariff and minimum tariff for retail sale of electricity.
- Section 64: The Bill provides for suo-motu determination of tariff by the Appropriate Commission, thereby reducing the time required for tariff determination and provision for interim tariff.
- Section 77: The Bill amends qualification of chairperson and members of Central Commission.

14.4. CERC Approves Introduction of High-Price Day Ahead Market (HP-DAM) Order at IEX

On 16th February 2023, the Central Electricity Regulatory Commission (CERC) approved the introduction of the High-Price Day-Ahead Market (HP-DAM) at the Indian Energy Exchange. The eligibility criteria are as follows:

Eligible Sellers for HP-DAM-

- Gas based generating stations using imported RLNG (Re-gasified Liquefied Natural Gas) and Naphtha;
- Imported coal based generators,
- Battery Energy Storage Systems

Buyers:

- Buyers will have option to auto-carry uncleared bids from DAM to HP-DAM
- Buyers can also separately place bids in HP-DAM
- During auto-carry option, buyers have flexibility to specify different prices for the un-cleared quantity in DAM
- IEX to provide an option to buyers to quote max quantum of unselected bids from DAM that they would like to carry to HP-DAM
- Market Clearing shall take place in a sequential manner i.e., first DAM will be cleared followed by HP-DAM
- Price discovery for HP-DAM will be Double-Sided Closed Auction
- Market Timelines will be same as Integrated-DAM

- Till the IEGC is amended, as an interim arrangement in the event of congestion, curtailment shall follow the sequence of curtailment of HP-DAM transactions first, followed by DAM, GDAM & RTM
- NLDC to compile a list of all eligible sellers and publish on its website
- Floor price – Zero, Upper price limit -Rs 50/kWh for HP-DAM

14.5. Price Cap in Power Exchanges

- CERC has suo-moto passed orders lowering prices cap in Power Exchanges to Rs 10/kWh from Rs 12/kWh
- The price limit in HPDAM has been reduced to Rs 20/kWH from Rs 50/Kwh

14.6. Order on Deviation Settlement Mechanism Regulations 2022 in the Interest of Grid Security

On 6th February 2023, the Central Electricity Regulatory Commission (CERC) issued a Deviation Settlement Mechanism Order in the interest of grid security. The order is as follows:

- DSM charges capped at Rs 12 per kWh, until further orders.
- Frequency band revised between 49.95 to 50.03 Hz In case system frequency < 49.95 Hz in a time-block:
- General seller other than an ROR generating station or a generating station based on MSW:
  - For OI: Paid back (i) @ 120% of reference charge rate when [49.90 Hz < f < 49.95 Hz]; and (ii) @ 150% of reference charge rate when [f ≤ 49.90];
  - For UI: Pay (i) higher of @ 150% of reference charge rate or @ 120% of normal rate, when [49.90 < f < 49.95]; and (ii) higher of @ 200% of reference charge rate or @ 150% of normal rate, when [f ≤ 49.90];
- The Buyer:
  - For UD: Paid back (i) @120% of normal rate when [49.90<f<f 50.03 Hz in a time-block:
  - For OD: Pay (i) @150% of normal rate when [49.90<f49.95]; & (ii) @200% of normal rate when [f ≤ 49.90]
- In case system frequency> 50.03 Hz in a time-block:
- General seller other than an ROR or MSW based generating station:
- General seller other than an ROR or MSW based generating station:
  - For OI: Paid back (i) @ 50% of reference charge rate when [50.03 < f < 50.05]; and (ii) @ zero when [f ≥ 50.05];
  - -For UI: Pay (i) @75% of reference charge rate, when [50.03<f< f < 50.05]; and (ii) @ zero when [f ≥ 50.05];
  - -For OD: Pay (i) @ 75% of normal rate when [50.03 < f < 50.05]; and (ii) @ zero when [f ≥ 50.05]

14.7. CERC Issues First Amendment to Sharing of Inter-State Transmission Charges and Losses Regulations, 2020

On 7th February 2023, the Central Electricity Regulatory Commission (CERC) issued the first amendment to Sharing of Inter-State Transmission Charges and Losses Regulations, 2020. The amendments are as follows:

- Transmission bills will be raised only to Drawee Designated ISTS Customers (DICs)
- Reference to General Network Access Renewable Energy (GNA-RE) included in the amendment
- The Yearly Transmission Charges (YTC) for the National Component shall be shared by all the drawee DICs in proportion to their quantum of General Network Access (GNA) and GNA-RE
- The YTC for the Regional Component shall be shared by all the drawee DICs of the region in proportion to their quantum of GNA and GNA-RE
- The YTC for Transformer Component shall be shared by all drawee DICs located in the State in proportion to their quantum of GNA and GNA-RE
- Transmission charges under AC-BC (Balance Component) shall be shared by all drawee DICs in proportion to their quantum of GNA and GNA-RE
- Transmission Deviation Rate in Rs/MW = 1.25 x Transmission Charges
- RE waiver to be provided as per formulae provided in Annexure-III of the amendment regulations distinctly for (i) Entities using their GNA for RE procurement (ii) Entities using GNA-RE for such RE procurement
- Late Payment Surcharge (LPS) shall be payable by DIC as per the LPS Rules
- Transmission charges for T-GNA (Temporary GNA) and T-GNARE (Temporary GNA Renewables Energy)
- T-GNA Rate (in Rs/MW/time-block)= Transmission charges for all drawee DICs located in the State X 1.10 / (number of days in a month X 96 X GNA and GNARE quantum , in MW, for all drawee DICs located in the State considered for billing, for corresponding billing period
- Transmission charges payable by entities granted T-GNA or T-GNARE, as per last published TGNA rate for State in which entity is located
- Transmission charges for T-GNA and T-GNARE collected in a billing month, shall be reimbursed to drawee DICs in proportion to their share in first bill in following billing month, after adjustment of such charges for RE waiver as per Annexure-III to these regulations
- Regulations will come into effect from date notified separately by CERC

14.8. MoP Issues Directives to Gencos Including IPPs to Import Coal for Blending Purposes and Maximise Captive Coal Production

On 9 January 2023, the Ministry of Power (MoP) issued directives to generation companies including Independent Power Producers (IPPs) to import coal for blending purposes and maximise coal production in captive coal mines. The direction is to import coal for 6% (by weight) for the remaining period of this Financial Year (FY-23) and first half of next fiscal, FY-24-H1. The domestic coal supply of these Gencos who do not follow these instructions shall be restricted to a pro-rata basis.

14.9. Green Open Access Rules

On 6 June 2022, the Ministry of Power issued Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. The most significant highlights being:

Scope:

All Consumers with contracted demand / sanctioned load of 100 kW and above shall be eligible for green energy open access. No limit has been set for captive consumers.

RPO Compliance:

Uniform RPO has been set on all obligated entities in area of a discom. RPO can be complied from:

- Own Generation from RE sources
- Procuring RE through Open Access from Developer either directly or through a trading licensee or through power markets
- Requisition from distribution licensees:
  - Requisition for green energy from discom shall be for minimum 1 year
  - Quantum of green energy to be prespecified for at least 1 year
- Purchase of REC, green hydrogen
- Any other sources, as may be, prescribed by the Central Government

Applications for Green Energy OA to be granted within 15 days. Application not approved within 15 days to be deemed approved subject to fulfilment of technical requirement.

Reasonable conditions such as, uniform quantum of power purchase through OA for minimum number of time blocks (not to be more than 12 blocks) may be imposed to avoid high variation in demand of discom.

Banking permitted on atleast monthly basis on payment of charges. Atleast 30% of monthly consumption of electricity from the discom shall be the permitted quantum for banking by the OA consumers.

Charges to be levied:

Transmission charges, Wheeling charges, CSS, Standby charges wherever applicable; No other charges shall be levied.

- CSS not to be increased by more than 50% for the year in which OA is granted, for a period of 12 years from COD
- Additional surcharge not applicable for green open access consumers, if fixed charges are being paid by it
- CSS & ASC not to be applicable if green energy is utilized for production of green hydrogen and green ammonia and for consumption from Waste-to-Energy plant
- Standby charges shall not be more than 10% of the energy charges applicable to consumer tariff category. Not to be levied if prior intimation of atleast 24 hours before delivery if given by the OA consumer.

On 27 January 2023, the Ministry of Power (MoP) issued amendments to electricity rules for promoting renewable energy through green energy open access. Under these amendments:

- Unutilised surplus banked energy to be considered as lapsed at the end of each banking cycle and the RE generating station shall be entitled to get REC to the extent of the lapsed banked energy.
- An additional surcharge shall not be applicable in case electricity produced from offshore wind projects, which are commissioned up to December 2025 and supplied to the OA Consumer.

14.10. POSOCO Modifies Detailed Procedure for Implementation of REC Mechanism

In December 2022, POSOCO modified detailed procedures for implementation of Renewable Energy Certificate mechanism in compliance of CERC REC Regulations, 2022. The procedural details highlighted are:

- Eligibility-
  - REGS (Renewable Energy Generating Station) participating in I-DAM and selling energy in the conventional segment of I-DAM in case of uncleared bids in RE segment of I-DAM. Such energy eligible for issuance of REC
  - REGS not scheduling energy due to regulation of access to power in case of non-payment of dues as per LPSC Rules 2022 and selling energy directly or through an electricity trader or in the PXs, provided thatsuch energy is not used for RPO compliance. Energy from such regulated capacity shall be eligible for issuance of REC
- New terms 'Advance accreditation'/'Advance registration' defined-
  - Above referred REGS can get itself accredited/registered under "Advance accreditation/registration". RPO to be considered based on the schedule power and deviation from schedule to be adjusted with RECs
- Fee provided-
  - One-time accreditation processing fees Rs. 10,000
  - One-time accreditation charges Rs. 30,000
  - Annual charges for accreditation Rs. 10,000
- The REC certificate to be issued by trader/PX to have "Source of origin"
- Definition of 'Hydro' aligned with MOP order dated 22 July 2022 & 19 September 2022

14.11. MoP issues Electricity (Late Payment Surcharge and related matters) Rules, 2022

On 3 June 2022, the Ministry of Power issued Final Electricity (Late Payment Surcharge and related matters) Rules, 2022. The Order defines the LPSC rate, circumstances for regulation of power, an option for liquidation of arrears of discoms without further levying LPSC, operationalization of PSM and consequences of default, genco's supply obligations etc. The most significant highlights include:

Liquidation of Arrears:

- The outstanding dues including LPS upto the day of the notification of these rules shall be rescheduled and the due dates redetermined for payment by a discom as provided in the rules.

- The distribution licensee within 30 days of promulgation of these rules shall communicate, to the genco/transco/tradeco, the outstanding dues and number of installments in which, the outstanding dues would be paid.
- LPS shall not be payable on the outstanding dues on the day of the notification of these rules, provided that the outstanding dues including LPS till the date of the notification of these rules are paid by a discom as per the schedule in the Rules.
- In case of non rescheduling of the arrears in accordance with this rule, all payments made by the Distribution Company shall first be adjusted against the arrears

Operationalising the Payment Security Mechanism (PSM) and its consequences:

- In case of non-maintenance of PSM, supply to the discom shall be regulated.
- In case genco supplies power without PSM or without advance payment, it shall lose the right to collect LPS from the discom.
- In case of non-maintenance of PSM or non-payment of outstanding dues by the default trigger date, obligation of genco to supply power shall be reduced to 75% of contracted power and balance may be sold through the PXs.
- If Discom doesn't establish PSM or continues to default for a period of 30 days from expiry of notice genco shall be entitled to sell 100% through PXs.
- The gains from the sale of such power (PX price ~ VC etc.) shall be adjusted in the following order:
  - recovery of fixed charges;
  - liquidation of overdue amount;
  - balance to be shared in 75:25 between the discom and genco

Regulation of Access to Defaulting Entities:
In case of non-payment of dues after 2.5 months from presentation of bill or default in payments of instalments:

- STOA for sale & purchase, including in the power exchange, shall be regulated entirely. Provided that the same shall be also applicable on already approved short-term access:
- If, even 1 month after the regulation of the STOA or the dues have remained unpaid for 3.5 months, apart from the regulation of STOA in its entirety, LTOA/MTOA shall be regulated by 10%
- Reduction or with-drawal of LTOA/MTOA shall be in such manner that the quantum of reduction in drawl schedule increases progressively by 10% for each month of default.

Supply Obligation of the Generating Company:

In case a genco fails to offer the contracted power as per the Agreement to a discom and sells it without its consent to any other party, the said generating company, on a complaint by the licensee to the LDC concerned shall be debarred from participating in PXs and on the DEEP portal and scheduling of any new short term contracts for a period of 3 months. The period of debarment shall increase to 6 months for second default and shall be 1 year for each successive default.

Power not requisitioned by a Distribution licensee:
Distribution licensee to intimate its schedule for requisitioning power for each day from each generating company at least two hour before the end of the time for placing bids in day ahead market, failing which generating company can sell unrequisitioned power in the power exchange.

14.12. CERC issues Connectivity and General Network Access to the inter-State Transmission System Regulations, 2022

On 7 June 2022, CERC issued final Connectivity and General Network Access to the inter-State Transmission System Regulations, 2022. The key highlights being:

Eligible entities for Connectivity to ISTS:- Generating station(s), including REGS(s), with or without ESS, CPP, Standalone ESS, RE Power Park Developer as per prescribed capacity limits

Connectivity granted to parent company may be utilized by its subsidiary and vice versa. REGS Connectivity grantee may split Connectivity in parts after COD, subject to eligibility.

Eligibility for GNA: STU on behalf of discoms connected to InSTS and other intra-State entities, buying entity connected to InSTS, a distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, Trading licensees engaged in CBT, Transmission licensee connected to ISTS for drawal of auxiliary power

Deemed Grant of GNA:
GNA for (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of "A‟ for the financial years 2018-19, 2019-20 and 2020-21: where, "A" = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}

Relinquishment of GNA: GNA granted can be relinquished with a 30 days' notice to the Nodal Agency, in full or in part, on payment of relinquishment charges as equal to 24 times the transmission charges paid by such entity for the last billing month

Eligibility for Temporary GNA:

- As buyers, Distribution licensee/Bulk consumer directly connected to ISTS; a buying entity connected to InSTS or to distribution system connected to such InSTS; Generating station including RE for meeting its aux. or start-up power or for meeting its supply obligations in terms of Regulation 6(3) of PMR; CPP; Standalone ESS; REGS for drawal during non-generation hours.
- Trading licensee on behalf of buyer(s) covered above, and engaged in CBT
- PXs for collective transactions or bilateral transactions on behalf of (i) buyer(s) covered above, and (ii) trading licensee(s) engaged in CBT

Application for grant of T-GNA:

- T-GNA may be applied for any period from 1 time block and up to 11 months
- Application for grant of T-GNA may be made as – Bilateral transactions: Advance application, Exigency application and Collective transactions- by a power exchange

Transmission charges for T-GNA:

- Transmission charge rate for T-GNA, in Rs./MW/time block, for a State as published for each month by the Implementing Agency in terms of the Sharing Regulations.
- Transmission charges for T-GNA, in case of bilateral and collective transactions, shall be payable only at point of drawal
- Payment of transmission charges for T-GNA:
  - Advance application category- within 3 working days of grant of T-GNA but before the start date of T-GNA and charges for each subsequent month including part thereof, if any, on rolling basis, one month in advance
  - Exigency application category- charges shall be deposited along with the application.
  - Under collective transactions, the PXs shall deposit the transmission charges for T-GNA by the 2400 hrs of (D+2) day, (D) being the day of application for grant of T-GNA

14.13. CERC (Terms and Conditions for Dealing in Energy Savings Certificates) (First Amendment) Regulations, 2022.

As per the amendment, the floor price for the trading of energy saving certificates as mentioned in the energy conservation rules will be fixed at 10 per cent of the price of one metric tonne of oil equivalent of energy consumed as may be notified by the central government, by notification in the official gazette for every perform, achieve and trade (PAT) cycle. Further, it defines floor price as the minimum price at which the energy savings certificate will be traded on the power exchanges.

14.14. CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

According to the new regulations, renewable energy generating stations, captive generating stations based on renewable energy sources, distribution licensees, and open access consumers are now eligible to issue renewable energy certificates (RECs).

The national load despatch center (NLDC) has been designated the agency to implement these regulations.

A renewable energy generating station will be eligible to issue the certificates if it meets the following requirements:

- The tariff of such renewable energy generating station has not been either determined or adopted, or the electricity generated is not sold directly or through an electricity trader or in the power exchange for renewable purchase obligation (RPO) compliance by an obligated entity

- The renewable energy generating station has not availed any waiver of concessional transmission charges or concessional wheeling charges
- A captive generating station will be eligible to issue certificates if issued for self-consumption.
- An obligated entity being a distribution licensee or an open access consumer that purchases electricity from renewable energy sources above the RPO requirements, will be eligible to issue certificates to the extent of purchase of such excess electricity from renewable energy sources.

14.15. Procedure for Short Term Open Access in inter-State Transmission System through National Open Access Registry (NOAR)

NOAR has been designed as an integrated single window electronic platform accessible to all stakeholders including open access participants, traders, power exchanges, national/regional/state load despatch centres for electronic processing of short-term open access application thereby automating the administration of the short-term open access in inter-state transmission system.

14.16. CERC issued Guidelines for Registration and Filing Application for Establishing and Operating Over the Counter (OTC) Platform, 2022

Objective

- To provide electronic platform with information of potential electricity buyer and seller
- To maintain repository of data and provide historical data to market participants
- To provide services such as advanced data analysis tools

Eligibility

The Power Exchanges or trading licensees or grid connected entities such as Gencos, Transco, Discoms, OA consumers or any person acting on their behalf, or any associates are not eligible to establish & operate OTC platform.

Technical Criteria for Registration at OTC Platform

- Applicant shall own and maintain robust technology infrastructure
- Applicant's technological infrastructure shall be capable of providing exchange of information on a real-time basis or near real-time basis

Financial Criteria for Registration at OTC Platform

- Minimum Net worth of applicant to be Rs. 1 Crore
- The company or any of its associates, or partners, or promoters, or directors have not been declared insolvent

Risk Management Framework

- OTC platform operator to put in place a comprehensive risk management framework
- OTC platform shall not engage in negotiation, execution, clearance, or settlement of the contracts
- OTC platform to maintain neutrality without influencing decision making of participants

Dispute resolution
OTC platform operator to put in place an arrangement to address disputes between its members

Annual registration charge
OTC platform operator shall pay annual registration charge as per the Payment of Fees Regulations

Other guidelines

- Data relating to the activities on OTC platform operator to be maintained in easily retrievable media for at least 10 years
- OTC platform operator to submit copies of annual reports including directors' report, auditors' report, balance sheet and P&L account along with schedules and notes to the accounts, not later than 9 months after the close of financial year.

14.17. MoP order on of Renewable Purchase Obligation (RPO) and Energy Storage Obligation Trajectory till 2029-30

- Issuance of Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO), wherein trajectory for RPO for wind, Hydro Purchase Obligation (HPO) and other RPOs as well as ESO targets as a percentage of total consumption of electricity has been laid down for the years upto 2029-30.
- According to this order, the total prescribed RPO will progressively increase from 24.61 per cent in 2022-23 to 43.33 per cent by 2029-30. This includes wind RPO, hydropower purchase obligation (HPO) and other RPO.
- The MoP has stated that wind RPO will only be satisfied by energy generated by wind power projects that are operational after March 31, 2022. The HPO will only be fulfilled by electricity generated by large hydro projects, including pumped hydro, that are operational after March 8, 2019, and continue until March 31, 2030. Other RPOs can be satisfied using electricity generated by any renewable energy generating plant other than wind and hydro. Also, energy from all other HPPS including free power from large HPPs commissioned before March 8, 2019 will be considered as part of RPO.
- Hydropower imported from abroad will not be counted toward HPO compliance. Any deficit in meeting other RPO each year can be made up for the extra energy utilised by wind power plants completed after March 31, 2022.
- The energy storage obligation will be calculated in energy terms as a proportion of total electricity consumption and will be regarded as satisfied only when at least 85 per cent of the total energy stored in the energy storage system is obtained from renewable energy sources each year. For energy storage, which has been introduced for the first time, the targets will increase from 1 per cent during 2023-24 to 4 per cent by 2029-30. This would be met through solar and wind power projects with energy storage.

15. RISK MANAGEMENT FRAMEWORK AND INTERNAL FINANCIAL CONTROLS

- Risk Management System

Your company is ISO 31000 certified company. It has instituted a risk management system to support the delivery of the Company's strategy by managing the risks of failing to achieve business objectives.

By focusing on the early identification of key risks, it enables your company to conduct a detailed scrutiny of the existing level of mitigation and further management actions required to either reduce or remove the risk.

On periodic basis, each functional lead carries out a detailed risk review exercise and updates the risk register. The register ensures consistency of approach in management and reporting of risks. Risk Management framework aims at achieving the following:

- Identify and classify each risk
- Assess the inherent risk impact and likelihood,
- Identify mitigation measures;
- Identify risk owner who has responsibility for the timely implementation of the agreed mitigation plan; and
- Report on implementation of risk mitigation action plan.

Due to rigorous Risk Management system of rating the Discoms, your Company's debtors outstanding is one of the lowest in the power trading industry.

- Business Continuity and Disaster Management Program (BCDMP)

Your company has successfully completed ISO 22301:2012 – Business continuity management system recertification audit. BSI has recommended Tata Power for upgradation of certificate from ISO 22301:2012 to ISO 22301:2019.

Now, Tata Power and its key subsidiaries are certified for ISO 22301:2019 Business Continuity Management System. This is essential for maintaining business continuity during disruptions and ensuring organisational resilience. The ISO 22301 BCMS certification provides formal business continuity guidelines that keeps organization operational during and following a disruption. ISO 22301 is designed to help organizations prevent, prepare, respond, and recover from unexpected and disruptive incidents.

Mockdrills and Table Top Exercises were carried out during the year to increase awareness and prepare the team for any eventuality. We have identified the processes under L1, L2, L3 and L4 processes. In-line with the requirement of the certification, it has developed Damage Assessment

Team, Technical Team and Operation Team to conduct devise the plan in case Business Continuity or Disaster Management is invoked.

- Internal Financial Controls

Your Company had appointed Chief - Internal Audit & Risk Management of Tata Power as Internal Auditor of the Company. The Internal Auditors endeavours to make meaningful contributions to the organisation's overall governance, risk management and internal controls. The function reviews and ensures sustained effectiveness of Internal Financial Controls by adopting a systematic approach.

Section 143 (3) of the Companies Act, 2013 provides that the Auditors' Report shall state whether the Company has adequate Internal Financial Controls (IFC) system in place and the operating effectiveness of such controls. The Statutory Auditors shall report on the existence of adequate IFC and its operational effectiveness for the financial year.

As per section 134 of the Act, Directors of the Company, based on the representations received from the Management are to confirm in the Directors Responsibility Statements that the Internal Financial controls are not only adequate, but are also operating effectively.

With this objective in mind and to fulfil the requirements of the Companies Act, 2013, in FY18, the internal auditors have identified key controls. The Company has adopted the Committee of Sponsoring Organisations (COSO) framework. COSO is a leading framework, which provides guidance on design and evaluation of internal controls. It provides assurance of financial controls in place at the level of functional heads and at top management level. This has helped in assessing the effectiveness and efficiency of operational controls, enhanced governance and consideration of anti-fraud expectations, reliability of financial reporting and statutory compliances. Attributes with internal control deficiency are identified with action plan to be taken and the target dates.

For the Business Process level, controls are evaluated through internal audits and Control Self-Assessment (CSA). These CSAs have also been rolled out across all functions in the Company.

The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems, and mitigation of operational risk perceived under each area under audit. Internal Audits are classified into vital, essential and desirable, based on the analysis of process impact of Company's Strategic Objectives. Post the audit, process is rated through Risk Control Index (RCI) and Process Robustness Index (RCI) given by the Internal Auditors. Significant observations including recommendations for improvement of the business processes are reviewed with the Management before reporting to the Audit Committee. The Audit Committee reviews the Internal Audit Reports and the status of implementation of the agreed action plan.

On the review of Internal Audit observations and actions taken on audit observations, we can state that there are no adverse observations having material impact on financials or commercial implication or material non- compliances which have not been acted upon.

Control Self-Assessment (CSA):

CSA process followed this year as well, whereby responses of all process owners are used to assess built in internal controls in each process. This helps the Company to identify focus audit areas, design audit plan and support CEO/CFO certification for internal controls. The CSA questionnaire is designed to test effectiveness of deployment of existing controls for processes including the ones which are not to be audited as per audit plan. The responses received from process owners on the questionnaire are analysed.

Process Robustness Index (PRI):

The processes are examined to assess their robustness primarily from the perspective of system driven controls which ensure deviations from the defined process do not occur due to manual interventions. In case controls have not been embedded in the system, other compensating controls such as maker-checker are exercised to assess the robustness of the process. This index is computed based on existence of robust controls and not on the basis of extent of implementation of these controls.

The Statutory Auditors carry out a limited quarterly review and these reports have not reported any adverse findings. The Company's Secretarial Audit carried out in the current year has not indicated any major lapses.

16. WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct (TCOC), any actual or potential violation, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. The role of the employees in reporting such violations of the TCOC is critical to its implementation.

Vigil Mechanism has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC).

The Company has placed a copy of Vigil Mechanism on the Company website.

17. SUSTAINABILITY

17.1. Safety – Care for our People

Safety Statistics FY22:

Sl. No.	Safety Parameters (Employees and contractors)	FY23	FY22
1	Fatality (Number)	NIL	NIL
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	NIL	NIL
3	Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours)	NIL	NIL
4	First Aid Cases (Number)	NIL	NIL

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure-II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on website of the Company.

17.2. Care for our Community/Community Relations

Your Company has a CSR Policy in place. The CSR budget for FY 23 was ₹ 1,13,42,000/- (One Crore Thirteen Lac Forty Two Thousand Only).

Nurturing Women Entrepreneurship through Roshni Vocational Training Centres

- The program is founded on the belief that enabling women to develop their inherent potentialities will foster holistic development across society.
- The program is inclusive and tailored to accommodate diverse landscapes.
- To empower women through the provision of sewing and stitching skills, coupled with support in establishing their self-sustaining micro-enterprises.
- This year's program focused on promoting women entrepreneurship in Noida -Uttar Pradesh & Shimla - Himanchal Pradesh
- Total 50 women were trained in stitching, tailoring, and business development in three batches of 25 each.
- USHA & TPTCL Training cum Production Centre (TCPC) was established at Noida and Shimla
- Apart from this Women were also oriented towards financial management, marketing and advanced stitching.

- Team also imparted trainings to rural women's & provided them with skills and opportunities to start their own micro-enterprises and become successful entrepreneurs.
- Training Completion Success of the women was celebrated with distribution of certificates.
- This initiative is an effort to create a brighter future for women in rural India by training & empowering them.


Promoting inclusion through Pay Autention- Autism Support Network

- The 'Pay Autention: Autism Awareness Program' is a community engagement initiative undertaken by Tata Power Community Development Trust (TPCDT) and the Center for Autism and other Disabilities Rehabilitation Research and Education (CADRRE)
- The project is aimed at increasing awareness about Autism Spectrum Disorder (ASD) and helping people understand, accept and support individuals with Autism and their caregivers.
- The project also aims to provide access to necessary resources and support systems, as well as to create a sustainable network of champions for differently abled individuals such as individuals with autism spectrum disorder.
- Raising awareness on Autism among the local community: Health professionals, blue and white collar workers, shopkeepers, NGOs, teachers and others. 3. Key Highlights: • Spreading the AUTISM free helpline number 1800 2099 488 among the laymen and encourage them to spread the same through word of mouth.
- The medium of delivery of sensitization was through Nukkad Natak (Street Theatre) interventions in key locations at Delhi/NCR.
- People were introduced to Unique Disability Identification details (UDID) in these sessions. Sessions were conducted in rural areas as well such as Villages TPTCL Sector 4 and Agharpur Village Sector 40, Noida.
- Autism awareness sessions/camps were followed by interactive games so as to be engaging among audiences.

- The workshops aimed to build adapted sports mentors and trainers to give them the understanding of assessing the sports, play and developmental skills of the children and lead the on-ground sports program for children with disabilities.

SAKSHAM - Sports/ Disability Scholarship Program and Development Program Empowering for Inclusion

- Sports/Disability Scholarship program aims to carve an equal stature for persons with disabilities by providing them with a platform where they have equal access to opportunities and resources.
- Indian contingent was led by the National Abilympic Association of India (NAAI) which paved the way for a more inclusive approach towards the cause of disability
- The boot camps and training sessions were conducted across the country, and several organizations and corporates joined hands to train the participants.
- Bakery Training was conducted at St. Regis Hotel Mumbai, and restaurant service in Efcee Sarovar Bhavnagar.
- Motivational session -'Unstoppable' by Mr Sandeep Maheshwari was also organised to boost up the behavioural competencies and Art of living
- A member was funded by Tata Power Trading Company Limited, who won silver medal for India at the 10th International Abilympics 2023 at Metz, France.
- Md. Kashif Khan from Mumbai, Maharashtra, has won a Silver Medal in the Skill Category - Patisserie and Confectionery and his Disability is Hearing impaired.

ROSHNI – Skill Building & Empowerment of PWDs

- TPTCL has partnered with the trust to support the empowerment of PWDs at Ghaziabad Centre covering the PWDs at NCR location through a project focused on employability enhancement and sustainable employment of DIVYANG
- Job mapping drives are carried out to identify the skills required in the industry, and candidates are made competent and skilled to perform the job.
- PWDs from different locations were enrolled in vocational skill development training that included Basic English, Life Skills, Computers, and one of the employability sectors such as IT-ITes, Organized Retail, or Tourism and Hospitality
- The training program aimed to improve the capability, capacity, productivity, and performance of individuals with disabilities.
- The most important step of the skill development program was job placement. Trainees who complete their vocational training were placed in jobs based on their skills and interests. Job placement not only provides financial independence but also raises their social status as DIVYANG.
- Team also collaborated with several allied activities such as Guest Lectures, Alumni Meet, Motivational Session, Parents Workshop, and Interaction with Team Powerlinks to provide additional learning support to PwD trainees.

- These activities aimed to enhance their understanding of various trades, reconnect with alumni, motivate candidates, assist parents in career guidance, and hold interactive sessions with team members

ROSHNI - Integrated Digital (eVidya): Empowerment of Women through enhancing Digital knowledge and formation/capacity building of SHGs

- Bringing social and economic empowerment to women and increase their self-confidence at JJ Cluster & Slums of Noida Sector 10
- Bridging digital knowledge gaps so that beneficiaries perform better in the community.
- Lack of SHG's and Self Defence training among women/girls.
- Digital Knowledge enhancement of 1400 women
- Formation of 10 SHGs
- Capacity building of 100 SHG members who will act as community change agents.
- Digital literacy to all the target beneficiaries
- Self- defence training to 100 women/girls of the catchment area.
- Local women have also reflected their products at Tata Power Noida Office Exhibition.
- The project has organized extra-curricular activities like celebrating important days and organizing Nukkad Nataks/street plays to raise awareness about the program.
- Manuals, posters, and leaflets were developed to aid the sessions, and prominent visibility of the companies supporting the project was ensured through logos and names on banners, leaflets, posters, and manuals

SAKSHAM – Mobile Dispensary for Health Check-up & Medicine support in Noida, Swastha Pradesh Jan Sahayta Abhiyan

- A mobile dispensary unit was organized to support the community members of Tata Power Trading in the JJ Clusters and low income areas of Noida
- Healthcare remains a major challenge, especially for slum dwellers who have limited awareness about preventive measures on seasonal diseases and other related infections
- The mobile dispensary unit, which included an ambulance with doctors and para medical staff, operated for 10 days in JJ Cluster & Slum areas of Sector-4 and Sector-10, Noida to provide health check-ups with distribution of basic medicine to the slum dwellers.
- Awareness campaigns about seasonal diseases, diabetes, heart health, fitness, yoga, and meditation were conducted, along with diabetes screening camps.
- The long-term impact aims to promote mental health management and awareness on chronic diseases like diabetes and hypertension, and provide free medicine dispensing to ensure access to necessary medication.

- Before implementing the project of the Mobile Dispensary Van, proper community awareness was created through door-to-door information dissemination, distribution of IEC (Information, Education, and Communication) materials, as well as placement of pamphlets, banners, posters, etc. at all the prominent slums in Noida.
- The mobile units focused on screening BP, diabetes, weight, and other diseases which helped the cause of the project even more.
- This intervention is expected to increase awareness towards health check and precaution, especially among slum dwellers and women, leading to better health outcomes.

SAKSHAM – Supportive Devices or Aids & Appliances Sports Equipment for Physically with Disabled

- It is to provide Aids and Assistive devices to pre-identified individuals with disabilities as part of the Saksham Divyang, CSR Project of TPTCL.
- Assistive products maintain or improve an individual's functioning and independence, thereby promoting their well-being. Hearing aids, wheelchairs, communication aids, spectacles, prostheses, Magnifier glasses are all examples of assistive products.
- Persons with Disabilities are one of the most marginalized segments in the society. Most of them do not have access to assistive devices and thus remains deprived of many opportunities that enable them to participate in life at home/work and in the community.
- The organization has set up a counseling center called Viklang Margdarshan Kendra, which provides information and guidance about facilities available to people with disabilities.
- The event was attended by numerous beneficiaries who were pre-identified and received assisted-living devices that can help restore near normalcy in their bodily functions.
- These devices include canes, wheelchairs, crutches, magnifier glasses, and other assistive devices that can help individuals with disabilities to connect with mainstream society and lead a better life.
- The distribution of assistive devices is a step towards promoting inclusivity and empowering persons with disabilities, ensuring they can participate in all aspects of life at home, work, and in the community.
- The center also provides assistive devices to improve the quality of life of people with disabilities in terms of mobility, communication, and performing daily activities

17.3. Care for our Environment

Your Company addresses various aspects of environment conservation such as resource conservation, energy efficiency, renewable energy certificates trading. Your Company strives to create environmentally responsible employees by promoting and showcasing individual efforts in green initiatives through Greenolution. The employees consider the aspects of Greenolution while carrying out process reengineering.

18. HUMAN RESOURCES

18.1. Manpower

As on March 31st March 2023, Tata Power Trading Company Ltd. had 77 employees on its payrolls.

18.2. Capability Development

Key initiatives taken:

Based on training needs identified at the start of the Training Cycle, training programs were deployed for all employees. These training needs were identified with view of current and future functional requirements. Various trainings and workshops were organized during the year for the development and enhancement of skills of employees.

18.3. Sexual Harassment

The Company has zero tolerance for sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC whilst dealing with issues related to sexual harassment at the workplace towards any woman associates. All women associate (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers are covered under this policy. Multi-pronged efforts have been made during FY23 for awareness of provisions and redressal of complaints as also to continue with and improve the work climate in all establishments where women employees feel safe and secure.

Tata Power, the holding company has adopted the POSH policy and has constituted an Internal Complaints Committee (ICC) comprising of members from its divisions and additionally from its major subsidiary companies including your company. Complaints if any received will be handled by this committee.

The following is a summary of sexual harassment complaints received and disposed off during the FY23:

No of complaints received:	NIL
No of complaints disposed off:	NIL
No of cases pending for more than 90 days:	NIL
No of workshops/ awareness program:	1
Nature of action taken by the employer or District officer:	Not applicable

Pursuant to the provisions of Rule (8)(5)(x) of the Companies (Accounts) Rules, 2014, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

19. CREDIT RATING

Your Company's long term credit facilities from banks are rated as 'A+' by India Rating Agency and short term credit facility from banks was rated as 'A1+' by India Rating Agency. Commercial Paper of the Company has been assigned 'A1+' rating with the guarantee of Tata Power.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company had invested in Inter-Corporate Deposit as a part of normal working capital management. The details of investment are provided in Annexure III.

21. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars – Standalone	**FY23** ₹ in crore	**FY22** ₹ in crore
Foreign Exchange Earnings mainly on account of interest, dividend	0	0
Foreign Exchange Outflow mainly on account of:	0	0
Fuel purchase	0	0
Interest on foreign currency borrowings, NRI dividends	0	0
Purchase of capital equipment, components and spares and other miscellaneous expenses	0	0

22. DEPOSITS

The Company has not accepted any deposits from public.

23. DISCLOSURE OF PARTICULARS - RELATED PARTY TRANSACTIONS

The Board has adopted a Policy on dealing with transactions entered with Related Parties. Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its Shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act"), the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

During the year, the Company did not enter into any transactions with related parties which were not at arm's length. However, the details of transactions with Related Parties as provided in Annexure - IV.

24. ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return in Form MGT-7 for FY 2022-23 is available on the website of the Company and following is the web-link for the same - http://tatapowertrading.com/wp-content/uploads/2023/07/Form-MGT-2023.pdf.

25. DISCLOSURE OF PARTICULARS OF EMPLOYEES REMUNERATION

Particulars of employees who are employed throughout the financial year or part of financial year and were in receipt of remuneration not less than Rupees One Crore and Two Lakh per annum or Rupees Eight Lakh and Fifty Thousand per month, respectively - This is not applicable as Section

197(12) of the Companies Act 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is applicable only to listed companies.

26. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no such material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

27. STATUTORY AUDITORS

Members of the Company at the Annual General Meeting (AGM) held on 24th June 2022 had approved the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/E300005), as the Statutory Auditors of the Company, to examine and audit the accounts of the Company, for a period of five years from the conclusion of 19th AGM till the conclusion of 24th AGM of the Company to be held in the year 2027.

28. COST AUDITOR AND COST AUDIT REPORT

The Company is engaged in trading of Electricity as per the licence issued by the Central Electricity Regulatory Commission. This is not applicable to the Company.

29. STATUTORY AUDITORS' REPORT

The financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act.

We are pleased to append herewith the auditors' report. Comments of the auditors in their report and the notes forming part of the accounts are self-explanatory. There are no qualifications, reservations, remarks or disclaimers made by the auditors in their standalone as well as consolidated auditors' report.

30. SECRETARIAL AUDIT REPORT

M/s SBR & CO. LLP, Company Secretaries, were appointed as Secretarial Auditor to conduct Secretarial Audit of records and documents of the Company for FY 2022-23 and Secretarial Audit was conducted by them. The Secretarial Audit report confirms that the Company has generally complied with the provisions of the Act, rules, regulations and guidelines.

The Secretarial Audit Report is provided in Annexure-V.

31. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

(I) By the Auditor in his report (standalone and consolidated financial statements): There are no qualifications, reservations or adverse remarks or disclaimers.

(II) By the Company secretary in practice in his secretarial audit report: There are no qualifications, reservations or adverse remarks or disclaimers.

32. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

33. INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.

34. VALUATION

The details of difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: **Not Applicable**

35. FRAUD REPORTING

No frauds have been reported to the Audit Committee/ Board during FY 2022-23, therefore, Section 134(3)(ca) of the Act pertaining to details of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government is not applicable to the Company.

36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments have occurred after the close of the year under review till the date of this Report which affect the financial position of the Company.

37. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

38. ACKNOWLEDGEMENTS

The Directors place on record their appreciation to all the Shareholders, Clients, Business Associates and Bankers.

The Directors are thankful to the Ministry of Power, Government of India, Ministry of External Affairs, Government of India, CERC, CEA, the concerned state governments and all concerned statutory authorities, including regulatory authorities for their support, and look forward to their continued support in future. The Directors are thankful to the Management of Dagachhu Hydro Power Corporation Limited.

The Directors wish to convey their appreciation to the employees for their hard work, solidarity, cooperation, and support to enable the Company to meet challenges and grow consistently.

On behalf of the Board of Directors,

Sd/-
Sanjay Kumar Banga
Chairman
(DIN: 07785948)

Mumbai, 19th April 2023

ANNEXURE I – CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Conservation of Energy: The disclosures stipulated under Section 134(3) (m) read with Rule 8 of the Companies (Accounts) Rule, 2014 pertaining to conservation of energy are not applicable to the Company.

A. Conservation of Energy - Nil

B. Technology absorption, adaptation and innovation

i. Lead Management for ESCO		
1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	ESCO Lead Management System on Salesforce: This allows businesses to efficiently convert leads, boost sales, and increase revenue. This system will be used to capture the leads in the Salesforce which are received through sources like e-mail, website, mobile app, social media, call center, marketing campaigns, referrals, call center RM, etc. System allocates the leads to the designated people based on the city and the type of service. Assigned person can re-assign or maintain the leads and their status. Qualified leads will move to the opportunity stage. Stages to convert qualified leads into opportunity – Technical validation, Data Exchange, Techno-commercial proposal, Negotiation and order finalization. Conversion of opportunity to creation into winning an order.
2	Benefits derived as a result of the above efforts	1. Reduction in manual intervention, 2. Optimising resources and reduction of errors. 3. Single system to capture and tracking of leads 4. Increase leads/orders (10-20%) 5. Order value enhancement
ii. Order Execution & Service Management		
1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	A ubiquitous IT solution is deployed using Angular/ NodeJS/ PostgresDB on Azure platform with features as a) Customer Onboarding and profile management b) Service catalogue Management c) Role based access to customer and its users d) Queries & Complaints e) Partner service portal Integration f) Integrated with ESCO Website

2	Benefits derived as a result of the above efforts	1. Sustainable value proposition in energy management 2. Ease of use for customer to increase C-SAT 3. Scalability and Availability 4. Secure Environment 5. Performance Improvement
iii. Wind Power Generation Forecasting		
1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	Implemented AI/ML based forecasting model to predict wind power generation for the wind site based at 15 mins time block with an accuracy more than 90%. This model is developed using historical generation data, hourly wind speed and statistical turbine data. The system also has provision to correct forecast based on real time data.
2	Benefits derived as a result of the above efforts	Improve Operational Performance Reduction in manual intervention, Reducing in deviation penalty for RE generators.

3	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: Technology Imported Year of Import Has technology been fully absorbed If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	Nil

1. TECHNOLOGY ABSORPTION - NIL

2. TECHNOLOGIES BEING REVIEWED/ADOPTED – NIL

On behalf of the Board of Directors,
Sd/-
Sanjay Kumar Banga
Chairman
(DIN: 07785948)

Mumbai, 19th April 2023

ANNEXURE -II - ANNUAL REPORT ON CSR ACTIVITIES FY 2022-23

1. Brief outline on CSR Policy of the Company:

The Company is committed to ensure the social wellbeing of the communities in the vicinity of its business operations through Corporate Social Responsibility ('CSR') initiatives in below mentioned thrust areas.

1. Employability and Employment (Skilling for Livelihood)
2. Education (Including Financial and Digital Literacy)
3. Entrepreneurship
4. Stakeholder Engagement

Major initiatives taken by Company in this year, were

1. ROSHNI -Integrated Vocational Training (Livelihood session with Community, Basic Skill Building + Sector specific Training+ Pre employment Training)
2. e-VIDYA - Promotion of e Education (Digital Literacy of Community Women, SHG Formation, Self Defence Training)
3. Empowering for Inclusion - Mobile Dispensary Model-Health Camp for basic medical check and distribution of generic medicines to the community of TPTCL Noida)
4. Empowering for Inclusion (Distribution of Assistive Devices & Workshop on Livelihood & Need for Empowerment)
5. ROSHNI - Integrated Vocational Training (Skilling Women on Sewing & Stitching)
6. Empowering for Inclusion- Pay Autention -"Autism" - (Community Sessions/Nukkad Natak and related support in identification of Autism & Guidance on Way Forward)
7. SAKSHAM DIVYANG - Empowering for Inclusion (Sports Scholarship for Divyang)

2. Composition of CSR Committee (As on 31st March 2023):

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Amar Jit Chopra	Chairman (Non-Executive Director)	5	5
2.	Mr. Ajay Kapoor	Member (Non-Executive Director)	5	5
3.	Ms. Kiran Gupta	Member (Non-Executive Director)	5	5

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

http://tatapowertrading.com/wp-content/uploads/2021/04/CSR-Policy.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of Section 135): ₹ 5671.06 lakhs

(b)Two percent of average net profit of the Company as per sub-section (5) of Section 135): ₹ 113.42 lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 35.32 lakhs

(d) Amount required to be set off for the financial year, if any: Nil

(**e) Total CSR obligation for the financial year ([(b)+(c)-(d)]:** ₹ 148.74 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 148.74 lakhs

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year ([(a)+(b)+(c)]: ₹ 148.74 lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per Second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
148.74	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set off, if any:NIL

Sl. No.	Particular	Amount (₹)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per sub-section (5) of Section 135	Nil
ii.	Total amount spent for the Financial Year	Nil
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Nil

iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹)**	**Balance Amount in Unspent CSR Account under under sub-section (6) of Section 135 (₹)**	**Amount Spent in the Financial Years (₹)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (₹)**	**Deficiency, if any**
					Amount (₹)	**Date of transfer**		
1	FY-1 (2021-22)	35.32 lakhs	Nil	35.32 lakhs	35.32 lakhs	27.04. 2022	Nil	-
	Total	35.32 lakhs	Nil	35.32lakhs	35.32 lakhs	27.04. 2022	Nil	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: The Company has spent the full amount.

Sd/-
Amarjit Chopra
(Chairman – CSR Committee)
DIN: 00043355
Delhi

Sd/-
Tarun Katiyar
(Chief Executive Officer)
Noida

Date: 19th April 2023

ANNEXURE III– LOANS, GUARANTEES, SECURITIES AND INVESTMENTS MADE

Nature of transaction (whether Loan/ Guarantee/ Security/ Acquisition)	Name of Person/ Body Corporate (recipient)	Amount of Loan/ Security/ Acquisition/ Guarantee	Tenure (in days)	Purpose of proposed utilization by recipient	Rate of Interest	Date of maturity	Counter guarantee	Details of securities provided	No. & kind of securities	Terms & conditions	Whether prejudicial to interest of the company
Inter Corporate Deposit	The Tata Power Company Limited	75,00,00,000	30	Working Capital management	7.20%	26-04-2023	-	-	-	-	NO

ANNEXURE IV – RELATED PARTY TRANSACTIONS

- *Policy on dealing with Related Party Transactions - http://tatapowertrading.com/wp-content/uploads/2022/11/TPTCL-RPT-POLICY-2022.docx.pdf*

- Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (FORM AOC-2)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions Including the value, if any	Justification for entering into such contracts/ arrangements / transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of material contracts or arrangements or transactions at arm's length basis:

Rs. in Lakhs

Sr. No.	Name of the Related Party	Nature of relationship	Whether covered under Board approval/ AC omnibus approval	Nature of transactions	Contract Description (mention key terms of contract other than pricing policy)	Start Date	End Date	Transaction Amount- YTD FY23
1	Tata Power Delhi Distribution Ltd.	Fellow Subsidiary	Board Approval	Sale Of Power	Power sale including Reimbursement Of expenses related to sale of power	24-07-2012	23-07-2042	1,69,893.36
2	Maithon Power Ltd.	Fellow Subsidiary	Board Approval	Purchase Of Power	Long term contract including Reimbursement Of expenses related to purchase of power	24-07-2012	23-07-2042	1,76,694.52
3	Chirstayee Saurya Limited	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	QCA -Forcasting services	01-04-2022	31-03-2023	4.07
4	Nivade Windfarms Ltd	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	1.80
5	Poolavadi Windfarm Limited	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	65.80
6	Prayagraj Power Generation Co. Ltd.	JV of Parent Co.	Board Approval	Purchase Of Power	Bilateral & Power Exchange	27-08-2021	26-08-2024	44,531.78

7	Prayagraj Power Generation Co. Ltd.	JV of Parent Co.	Board Approval	Rendering Of Project Management Services	Smart Energy Management and consultancy related to power	16-02-2022	15-02-2025	5.40
8	Tata Power Solar System Ltd.	Fellow Subsidiary	Board Approval	Procurement or Sale Of Goods or Fixed Assets or Services	Purchse/Sale of REC certificate	17-03-2022	17-03-2025	41.78
9	Tata Power Solar System Ltd.	Fellow Subsidiary	Board Approval	Availing Of Operation And Maintenance Services	O&M services for RE plants	01-04-2022	31-03-2023	68.51
10	TP Kirnali Solar	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	12.76
11	TP Akkalkot Renewables Ltd	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	8.01
12	TP Green Nature Limited	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	4.48
13	TP Solapur Solar Ltd	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	9.72
14	Vagarai Windfarms Ltd.	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	Consultancy services	01-04-2022	31-03-2023	33.33
15	WREL	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	QCA -Forcasting services	01-04-2022	31-03-2023	6.07
16	WSKPL	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	QCA -Forcasting services	01-04-2022	31-03-2023	1.03
17	Walwhan-RJ	Fellow Subsidiary	Board Approval	Rendering Of Project Management Services	QCA -Forcasting services	01-04-2022	31-03-2023	13.01
18	Dagachhu Hydro Power Corp. Ltd.	Fellow Subsidiary	Board Approval	Purchase Of Power	Bilateral	01-03-2015	01-03-2040	19,673.83
19	Tata Power Delhi Distribution Ltd.	Fellow Subsidiary	Board Approval	Procurement or Sale Of Goods or Fixed Assets or Services	Sale of Fixed Assets	01-04-2022	31-03-2023	17.55
20	IEL	Fellow Subsidiary	Board Approval	Procurement or Sale Of Goods or Fixed Assets or Services	Sale of Fixed Assets	01-04-2022	31-03-2023	0.29
21	TPSODL	Fellow Subsidiary	Board Approval	Procurement or Sale Of Goods or Fixed Assets or Services	Sale of Fixed Assets	01-04-2022	31-03-2023	3.90
22	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Sale Of Power	Purchase/Sale Of Power-Trader Margin As Notified By Cerc	01-04-2022	31-03-2023	14,516.48
23	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Purchase of Power	Purchase/Sale Of Power-Trader Margin As Notified By Cerc	01-02-2008	31-01-2033	54,138.93
24	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Availing Of Operation And Maintenance Services	Operation And Maintenance (O&M) Services-Fully Loaded Cost Plus Markup	01-02-2008	31-01-2033	14.25
25	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Deputation Of Employees Domestic	Deputation Of Employees-Mark-Up On Cost	01-04-2022	31-03-2023	75.34
26	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Deputation Of Employees Domestic	Deputation Of Employees-Mark-Up On Cost	01-04-2022	31-03-2023	2.37
27	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Leasing Of Premises	Leasing Of Premises-Valuation Reports Provided By Government	01-04-2022	31-03-2023	88.72

					Approved Valuer			
28	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Domestic Lending	Domestic Lending/Borrowing-Weighted Average Cost of Borrowing/lending for latest financial year	01-04-2022	31-03-2023	7,827.65
29	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Availing Of Internal Audit Services	Internal Audit Services- Actual Man Day Rates charged by various external consultant of similar repute	01-04-2022	31-03-2023	7.70
30	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Availing Of Shared Services	Rendering/Availing Of Shared Services-Fully Loaded Cost Plus Mark-Up	01-04-2022	31-03-2023	151.19
31	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Procurement or Sale Of Goods or Fixed Assets or Services	Procurement-Written Down Value (WDV) of Movable Depreciable Asset	01-04-2022	31-03-2023	9.87
32	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Dividend Paid	As per law	01-04-2022	31-03-2023	7,200.00
33	The Tata Power Co. Ltd.	Parent Co.	Board Approval	Domestic Lending	Domestic Lending/Borrowing-Weighted Average Cost of Borrowing/lending for latest financial year	01-04-2022	31-03-2023	15000

Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including value	Date (s) of approval by the Board	Amount paid as advances, if any
None					

Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of relationship	Nature of transactions
Tata Power Delhi Distribution Ltd.	Fellow Subsidiary	Sale Of Power
Maithon Power Ltd.	Fellow Subsidiary	Purchase Of Power
Chirstayee Saurya Limited	Fellow Subsidiary	Rendering Of Project Management Services
Nivade Windfarms Ltd	Fellow Subsidiary	Rendering Of Project Management Services
Poolavadi Windfarm Limited	Fellow Subsidiary	Rendering Of Project Management Services
Prayagraj Power Generation Co. Ltd.	JV of Parent Co.	Purchase Of Power
Prayagraj Power Generation Co. Ltd.	JV of Parent Co.	Rendering Of Project Management Services
Tata Power Solar System Ltd.	Fellow Subsidiary	Procurement or Sale Of Goods or Fixed Assets or Services
Tata Power Solar System Ltd.	Fellow Subsidiary	Availing Of Operation And Maintenance Services
TP Kirnali Solar	Fellow Subsidiary	Rendering Of Project Management Services
TP Akkalkot Renewables Ltd	Fellow Subsidiary	Rendering Of Project Management Services
TP Green Nature Limited	Fellow Subsidiary	Rendering Of Project Management Services
TP Solapur Solar Ltd	Fellow Subsidiary	Rendering Of Project Management Services

Vagarai Windfarms Ltd.	Fellow Subsidiary	Rendering Of Project Management Services
WREL	Fellow Subsidiary	Rendering Of Project Management Services
WSKPL	Fellow Subsidiary	Rendering Of Project Management Services
Walwhan-RJ	Fellow Subsidiary	Rendering Of Project Management Services
Dagachhu Hydro Power Corp. Ltd.	Fellow Subsidiary	Purchase Of Power
Tata Power Delhi Distribution Ltd.	Fellow Subsidiary	Procurement or Sale Of Goods or Fixed Assets or Services
IEL	Fellow Subsidiary	Procurement or Sale Of Goods or Fixed Assets or Services
TPSODL	Fellow Subsidiary	Procurement or Sale Of Goods or Fixed Assets or Services
The Tata Power Co. Ltd.	Parent Co.	Sale Of Power
The Tata Power Co. Ltd.	Parent Co.	Purchase of Power
The Tata Power Co. Ltd.	Parent Co.	Availing Of Operation And Maintenance Services
The Tata Power Co. Ltd.	Parent Co.	Deputation Of Employees Domestic
The Tata Power Co. Ltd.	Parent Co.	Deputation Of Employees Domestic
The Tata Power Co. Ltd.	Parent Co.	Leasing Of Premises
The Tata Power Co. Ltd.	Parent Co.	Domestic Lending
The Tata Power Co. Ltd.	Parent Co.	Domestic Lending
The Tata Power Co. Ltd.	Parent Co.	Availing Of Internal Audit Services
The Tata Power Co. Ltd.	Parent Co.	Availing Of Shared Services
The Tata Power Co. Ltd.	Parent Co.	Procurement or Sale Of Goods or Fixed Assets or Services
The Tata Power Co. Ltd.	Parent Co.	Dividend Paid
The Tata Power Co. Ltd.	Parent Co.	Domestic Lending

ANNEXURE V - SECRETARIAL AUDIT REPORT

010/MR-3/SBR 2023-24

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023
(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Power Trading Company Limited
CIN: U40100MH2003PLC143770
Carnac Receiving Station,
34-Sant Tukaram Road,
Carnac Bunder, Mumbai- 400009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Power Trading Company Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has generally, during the audit period covering the financial year ended on 31st March, 2023:

- Complied with the statutory provisions listed hereunder, and
- Proper Board processes and compliance mechanism are in place,

to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed, and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2023 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (to the extent applicable)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the audit period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**

(v) The following Regulations and Guidelines as prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and any amendments made from time to time:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the audit period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; **(Not applicable to the Company during the audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; **(Not applicable to the Company during the audit period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable to the Company during the audit period)**

(vi) Other laws applicable specifically to the Company namely:

(a) The Electricity Act, 2003 and Central Electricity Regulatory Commission (Procedure, Terms and Conditions of grant of trading licence and related matters) Regulations, 2009.
(b) The Electricity Act, 2003 and The Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010.

(c) The Electricity Act, 2003 and The Central Electricity Regulatory Commission (Power Market) Regulations, 2010.

(d) The Electricity Act, 2003 and The Electricity Rules, 2005.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General meetings.

2. Listing Agreements entered into by the Company with Stock Exchange; **(Not applicable to the Company during the audit period)**

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notices were given to all Directors to schedule the Board Meetings and Committee Meetings, Agenda and detailed notes on agenda were sent atleast seven days in advance, other than those held at shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the decisions in the Board Meeting and Committee meeting are carried out with requisite majority of the members of the Board or Committees. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance certificate(s)/report issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not any major events/actions having a major bearing on the Company's affairs in pursuance of the aforesaid laws, rules, regulations, guidelines, standards, etc.

For SBR & Co. LLP
Company Secretaries

Sd/-
Rohit Batham
Designated Partner

Membership No. A37260
C.P. No. 19095
UDIN: A037260E000033333

Peer review no.: 1631/2021

Date: 7th April 2023
Place: Vaishali, Ghaziabad

This report is to be read with our letter of even date which is annexed as ''Annexure A'' and forms an integral part of this report.

ANNEXURE -A

To,
The Members,
Tata Power Trading Company Limited
CIN: U40100MH2003PLC143770
Carnac Receiving Station,
34-Sant Tukaram Road,
Carnac Bunder, Mumbai- 400009

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SBR & Co. LLP
Company Secretaries
Sd/-
Rohit Batham
Designated Partner
Membership No. A37260
C.P. No. 19095
UDIN: A037260E000033333
Peer review no.: 1631/2021

Date: 7th April 2023
Place: Vaishali, Ghaziabad

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

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 2023, 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, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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 GURUGRAM

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 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.

S.R. BATLIBOI & CO. LLP
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- 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, 2020 ("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, in electronic mode on servers physically located in India so far as it appears from our examination of those books except that we were unable to verify the back up of books of accounts maintained in electronic mode for the period from August 05, 2022 to January 18, 2023, as necessary logs in respect of such period are not available with the company as stated in note 36 to the financial statements;

   (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

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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.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 13 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

S.R. BATLIBOI & CO. LLP GURUGRAM

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 23502243BGTIUH8027

Place of Signature: Gurugram
Date: April 19, 2023

ANNEXURE 1 REFFERED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE

Re: Tata Power Trading Company Limited ('the Company')

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 19 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans to holding company as follows:-

Particulars	INR lacs
Aggregate amount of loans during the year - The Tata Power Company Limited (Holding Company)	7,500
Balance outstanding as at balance sheet date in respect of above case	7,500

(b) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except the holding company. The Company has granted loans to the holding company and the terms and conditions of such loans are not prejudicial to the Company's interest.

(c) The Company has granted loans to holding company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loan granted to holding company which are overdue for more than ninety days.

(e) During the year, the Company had renewed/ rolled over loans to holding company to settle the loan granted to holding company which had fallen due during the year.

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The aggregate amount of such loan dues renewed and the percentage of the aggregate to the total loans granted/ renewed during the year are as follows:

Name of Parties	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans (INR Lacs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
The Tata Power Company Limited (Holding Company)	4,000	34.78%

(f) As disclosed in note 29 to the financial statements, the Company has granted loans to holding company specifying the terms and period of repayment. Such loans are repayable on demand with one day notice to the holding company. Following are the details of the aggregate amount of loans granted to holding company as defined in clause (76) section 2 of the Companies Act, 2013:

Particulars	INR lacs
Aggregate amount of loans - Repayable on demand	7,500
Percentage of loans to the total loans	100%

(iv) Loans, investments, guarantees and security in respect of which provisions of 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

Further there are no loans, in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. Undisputed statutory dues including duty of custom, duty of excise, value added tax, sales-tax, service tax, are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

S.R. BATLIBOI & CO. LLP GURUGRAM

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	1,345.62	AY 2014-15	Joint/Assistant Commissioner
Income Tax Act, 1961	Income tax	2.35	AY 2017-18	CIT(A)
Income Tax Act, 1961	Income tax	12.05	AY 2018-19	CIT(A)
Income Tax Act, 1961	Income tax	1.35	AY 2021-22	Assessing Officer
Income Tax Act, 1961	Income tax	20.45	AY 2009-18	Assessing Officer
MVAT Act, 2002	Maharashtra VAT	8.95 (0.89)#	AY 2018-19	Joint/Assistant Commissioner

- The Company has deposited amount under protest in connection with a dispute with the concerned authorities.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

S.R. BATLIBOI & CO. LLP
GURUGRAM

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b)The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 30.5 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

S.R. BATLIBOI & CO. LLP
GURUGRAM

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25 to the financial statements.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 23502243BGTIUH8027

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature: Gurugram
Date: April 19, 2023

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 with reference to financial statements of Tata Power Trading Company Limited ("the Company") as of March 31, 2023 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls 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 controls with reference to 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

S.R. BATLIBOI & CO. LLP
GURUGRAM

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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control 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 with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

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

S.R. BATLIBOI & CO. LLP
GURUGRAM

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 23502243BGTIUH8027

Place of Signature: Gurugram
Date: April 19, 2023

Tata Power Trading Company Limited
Balance sheet as at 31st March, 2023

	Notes	As at 31st March, 2023	As at 31st March, 2022
		₹ Lakhs	₹ Lakhs
ASSETS			
Non-current Assets			
(a) **Property, plant and equipment and Intangible Assets**			
(i) Property, plant and equipment	4	3,342.66	3,670.82
(ii) Capital Work-in-Progress	5.1	92.87	0.62
(iii) Intangible Assets	5	47.82	38.64
(b) Financial Assets			
(i) Investments	6	139.00	-
(ii) Other financial assets	9	318.53	315.85
(c) Non-current Tax Assets (Net)	10	47.32	508.86
(d) Other Non-current Assets	11	6.40	6.80
Total Non-current Assets		**3,994.60**	**4,541.59**
Current Assets			
(a) Financial Assets			
(i) Investments	6	11,252.74	-
(ii) Trade Receivables	7	7,032.37	18,594.02
(iii) Unbilled Revenue		29,830.59	21,205.97
(iv) Cash and cash Equivalent	12	6,760.45	6,262.96
(v) Bank Balances other than (iv) above	12.1	514.37	500.00
(vi) Loans	8	7,500.00	15,000.00
(vii) Other financial assets	9	657.47	965.47
(b) Other Current Assets	11	40.07	80.67
Total Current Assets		**63,588.06**	**62,609.09**
TOTAL ASSETS		**67,582.66**	**67,150.68**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,600.00	1,600.00
(b) Other Equity	14	25,328.00	30,426.41
Total Equity		**26,928.00**	**32,026.41**
LIABILITIES			
Non-current Liabilities			
(a) Provisions	16	581.75	426.83
(b) Deferred Tax Liabilities (Net)	17	585.32	694.03
Total Non-current Liabilities		**1,167.07**	**1,120.86**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	-
(ii) Trade Payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		41.60	4.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		37,078.81	31,978.47
(iii) Other Financial Liabilities	15	988.71	1,027.31
(b) Provisions	16	26.30	18.23
(c) Other Current Liabilities	18	1,352.17	974.81
Total Current Liabilities		**39,487.59**	**34,003.41**
TOTAL EQUITY AND LIABILITIES		**67,582.66**	**67,150.68**

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 Ajay Bansal
Partner
Membership No. 502243

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Place: Gurugram
Date: 19 April 2023

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

Ganesh Srinivasan
Director
DIN-08208444

Kiran Gupta
Director
DIN-08196580

Tarun Katiyar
Chief Executive Officer

Vikas Gupta
Chief Financial Officer

Tata Power Trading Co. Ltd. Noida

Place: Noida
Date: 19 April 2023

Tata Power Trading Company Limited

Statement of profit and loss for the year ended 31st March, 2023

	Notes	For Year ended 31st March, 2023	For the year ended 31st March, 2022
		₹ Lakhs	₹ Lakhs
I Revenue from Operations	21	40,476.41	37,313.96
II Other Income	22	1,181.74	1,415.64
III **Total Income**		**41,658.15**	**38,729.60**
IV **Expenses**			
(a) Cost of Power Purchased		34,914.48	28,251.20
(b) Employee Benefits Expense	23	1,466.00	1,152.75
(c) Finance Costs	24	293.58	344.46
(d) Depreciation and Amortisation Expenses	4 & 5	394.94	377.62
(e) Other Expenses	25	1,759.33	1,378.26
Total Expenses		**38,828.33**	**31,504.29**
V **Profit Before Tax**		**2,829.82**	**7,225.31**
VI **Tax Expense**			
Current Tax	26	796.99	1,868.81
Tax for earlier years	26	58.16	(46.18)
Deferred Tax	26	(113.28)	(79.13)
		741.87	**1,743.50**
VII **Profit for the year**		**2,087.95**	**5,481.81**
VIII **Other Comprehensive Income**			
A Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		18.23	(40.15)
(b) Tax expense		(4.59)	10.11
Total Other Comprehensive Income		**13.64**	**(30.04)**
IX **Total Comprehensive Income for the year (VII+ VIII)**		**2,101.59**	**5,451.77**
X **Earnings Per Equity Share**			
(Face Value ₹ 10/- Per Share)			
Basic (₹)	27	13.05	34.26
Diluted (₹)	27	13.05	34.26

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 Ajay Bansal
Partner
Membership No. 502243

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Place: Gurugram
Date: 19 April 2023

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

Ganesh Srinivasan
Director
DIN-08208444

Kiran Gupta
Director
DIN-08196580

Tarun Katiyar
Chief Executive Officer

Vikas Gupta
Chief Financial Officer

Tata Power Trading Co. Ltd. Noida

Place: Noida
Date: 19 April 2023

Tata Power Trading Company Limited
Statement of cash flows for the year ended 31st March , 2023

		For Year ended 31st March, 2023 ₹ Lakhs	For the year ended 31st March, 2022 ₹ Lakhs
A.	**Cash flow from operating activities**		
	Profit before tax	2,829.82	7,225.31
	Depreciation and amortisation expense of property, plant & equipment	394.94	377.62
	Interest income	(558.87)	(881.98)
	Gain arising on financial assets designated as at FVTPL	(462.60)	(170.71)
	Increase in fair valuation of investment	(139.00)	-
	Finance cost	293.58	344.46
	Loss/(gain) on disposal of property, plant and equipment	(0.50)	(1.24)
	Liability no longer required written back	-	(340.02)
	Provision for doubtful debts and advances (Net)	71.00	(72.44)
		2,428.37	**6,481.00**
	(Increase) / Decrease in trade receivables	11,513.46	(7,643.98)
	(Increase) / Decrease in other current assets	40.60	(48.63)
	(Increase) / Decrease in other Non current assets	(2.68)	(3.01)
	(Increase) / Decrease in other current financial assets	(8,326.83)	(9,462.39)
	Increase / (Decrease) in trade payables	5,137.35	7,848.55
	Increase /(Decrease) on other current liabilities	377.36	186.58
	Increase / (Decrease) in other current financial liabilities	(38.60)	237.81
	Increase / (Decrease) in provisions	181.22	65.32
		8,881.88	(8,819.75)
	Cash generated from operations	**11,310.25**	**(2,338.75)**
	Income taxes paid (net of refund received)	(393.63)	(1,749.39)
	Net cash flow from operating activities	**10,916.62**	**(4,088.14)**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment	(174.85)	(48.75)
	Proceeds from disposal of property, plant and equipment	7.54	4.89
	Inter company deposits received back	15,000.00	23,500.00
	Inter company deposits given	(7,500.00)	(24,500.00)
	(Purchase) of current investments	(2,84,400.00)	(2,13,530.06)
	Sale of current investments	2,73,609.86	2,14,602.90
	Proceeds/(Investment) in Fixed Deposits	(14.37)	3,755.12
	Interest income	546.27	1,157.94
	Net cash flow from investing activities	**(2,925.55)**	**4,942.04**
C.	**Cash flow from financing activities**		-
	Dividends paid	(7,200.00)	
	Inter company deposits taken	-	1,000.00
	Inter company deposits repaid	-	(1,000.00)
	Finance costs paid	(293.58)	(344.46)
	Net cash flow (used in) financing activities	**(7,493.58)**	**(344.46)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**497.49**	**509.44**
	Cash and cash equivalents as at 1st April,2022	**6,262.96**	**5,753.52**
	Cash and cash equivalents as at 31st March,2023 (Refer note 12)	**6,760.45**	**6,262.96**
	Cash and cash Equivalents (Refer note 12)	**6,760.45**	**6,262.96**
		6,760.45	**6,262.96**

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 Ajay Bansal
Partner
Membership No. 502243

S.R. BATLIBOI & CO LLP * GURUGRAM *

Place: Gurugram
Date: 19 April 2023

For and on behalf of the Board of Directors of

Tata Power Trading Company Limited

Ganesh Srinivasan
Director
DIN-08208444

Kiran Gupta
Director
DIN-08196580

Tarun Katiyar
Chief Executive Officer

Vikas Gupta
Chief Financial Officer

Tata Power Trading Co. Ltd. Noida *

Place: Noida
Date: 19 April 2023

Tata Power Trading Company Limited
Statement of changes in equity for the year ended 31st March, 2023

A. Equity Share Capital

₹ Lakhs

	No. of Shares	Amount
Balance as at 1st April, 2021	1,60,00,000	1,600
Issue of Equity Shares during the year	-	-
Balance as at 31st March, 2022	1,60,00,000	1,600
Issue of Equity Shares during the year	-	-
Balance as at 31st March, 2023	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, 2021	1,355.00	2,089.50	21,521.84	8.30	24,974.64
Profit for the year	-	-	5,481.81	-	5,481.81
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	(30.04)	-	(30.04)
Total Comprehensive Income	-	-	**5,451.77**	-	**5,451.77**
Balance as at 31st March, 2022	**1,355.00**	**2,089.50**	**26,973.61**	**8.30**	**30,426.41**
Balance as at 1st April, 2022	1,355.00	2,089.50	26,973.61	8.30	30,426.41
Profit for the year	-	-	2,087.95	-	2,087.95
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	13.64	-	13.64
Total Comprehensive Income	-	-	**2,101.59**		**2,101.59**
Dividend paid	-	-	(7,200.00)	-	(7,200.00)
Balance as at 31st March, 2023	**1,355.00**	**2,089.50**	**21,875.20**	**8.30**	**25,328.00**

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 Ajay Bansal
Partner
Membership No. 502243

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Place: Gurugram
Date: 19 April 2023

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

Ganesh Srinivasan
Director
DIN-08208444

Kiran Gupta
Director
DIN-08196580

Tarun Katiyar
Chief Executive Officer

Vikas Gupta
Chief Financial Officer

Tata Power Trading Co. Ltd. Noida ★

Place: Noida
Date: 19 April 2023

Tata Power Trading Company Limited

Notes to the financial statements for the year ended March 31, 2023

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 purpose 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 its registered office is Carnac Receiving station, 34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400009, India.

The financial statement were approved for issue by Board of Directors on 19 April 2023.

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 III of the Companies Act 2013 (INDAS Compliance Schedule III).

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.

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S.R. BATLIBOI & CO LLP * GURUGRAM *

Tata Power Trading Co. Ltd. * Noida

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.

Debts 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.
During the year, The Company has revalued its long term investment in PXIL based on the valuation performed by the M/s Vikash A. Jain & Co. an accredited independent and registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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.

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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 Company 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 Company 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 lessess

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.

iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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.

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

Particulars	**As at 31st March, 2023**
Expenses related to short term leases	241.97
Particulars	**As at March 31st 2022**
Expenses related to short term leases	179.26

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 Company 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.

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3.5 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 6). The Company has revalued its long term investment based on valuation report as referred in note 3.3.3.

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.

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Notes to the financial statements for the year ended March 31, 2023

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.

Property, Plant and Equipments 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
Cost					
Balance as at 1st April, 2022	5,868.75	3.23	4.81	33.40	5,910.19
Additions	14.49	-	-	46.75	61.24
Disposals	10.91	-	0.64	18.14	29.69
Balance as at 31st March, 2023	**5,872.33**	**3.23**	**4.17**	**62.01**	**5,941.74**
Accumulated depreciation					
Balance as at 1st April, 2022	2,209.25	2.21	4.04	23.87	2,239.37
Depreciation Expense	372.64	0.23	0.24	9.25	382.36
Disposal of Assets	7.85	-	0.57	14.23	22.65
Balance as at 31st March, 2023	**2,574.04**	**2.44**	**3.71**	**18.89**	**2,599.08**
Net carrying amount					
As at 31st March, 2023	**3,298.29**	**0.79**	**0.46**	**43.12**	**3,342.66**
As at 31st March, 2022	**3,659.50**	**1.02**	**0.77**	**9.53**	**3,670.82**

₹ Lakhs

	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost					
Balance as at 1st April, 2021	5,854.30	3.23	7.41	33.40	5,898.34
Additions	26.75	-	-	-	26.75
Disposals	12.30	-	2.60	-	14.90
Balance as at 31st March, 2022	**5,868.75**	**3.23**	**4.81**	**33.40**	**5,910.19**
Accumulated depreciation					
Balance as at 1st April, 2021	1,852.76	1.98	6.08	20.20	1,881.02
Depreciation Expense	366.51	0.23	0.43	3.67	370.84
Disposal of Assets	10.02	-	2.47	-	12.49
Balance as at 31st March, 2022	**2209.25**	**2.21**	**4.04**	**23.87**	**2,239.37**
Net carrying amount					
As at 31st March, 2022	**3,659.50**	**1.02**	**0.77**	**9.53**	**3,670.82**
As at 31st March, 2021	**4,001.54**	**1.25**	**1.33**	**13.20**	**4,017.32**

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5. 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 including IT Platform : 5 years

₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April, 2022	479.25	479.25
Additions	21.76	21.76
Disposal	-	-
Balance as at 31st March, 2023	**501.01**	**501.01**
Accumulated amortisation and impairment		
Balance as at 1st April, 2022	440.61	440.61
Amortisation expense	12.58	12.58
Disposal	-	-
Balance as at 31st March, 2023	**453.19**	**453.19**
Net Block		
As at 31st March, 2023	**47.82**	**47.82**
As at 31st March, 2022	**38.64**	**38.64**

₹ Lakhs

	Computer software	Total
Cost		
Balance as at 1st April, 2021	752.57	752.57
Additions	28.99	28.99
Disposal	302.31	302.31
Balance as at 31st March, 2022	**479.25**	**479.25**
Accumulated amortisation and impairment		
Balance as at 1st April, 2021	736.13	736.13
Amortisation expense	6.79	6.79
Disposal	302.31	302.31
Balance as at 31st March, 2022	**440.61**	**440.61**
Net Block		
As at 31st March, 2022	**38.64**	**38.64**
As at 31st March, 2021	**16.44**	**16.44**

The Company holds intangible assets comprising SAP licences, SAMASTT and IT Platform for the ERP system implemented in the Company.

5.1 Capital Work-in-Progress

Accounting Policy

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

CWIP ageing Schedule as at 31st March 2023 ₹ Lakhs

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	92.87	-	-	-	92.87

CWIP ageing Schedule as at 31st March 2022 ₹ Lakhs

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.62	-	-	-	0.62

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6. Investments

	As at 31st March, 2023 Numbers	As at 31st March, 2022 Numbers	As at 31st March, 2023 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
i) **Non-current**				
Investments carried at Fair value through Profit and Loss				
Unquoted Investments (all fully paid)				
a) Investments in equity instruments at FVTPL-Power Exchange India Limited	25,00,000	25,00,000	250.00	250.00
Less: Fair value changes			(111.00)	(250.00)
			139.00	-
ii) **Current**				
Investments carried at Fair value through Profit and Loss				
Unquoted - Mutual Fund				
a) ICICI Overnight fund - direct growth plan	2,40,032	-	2900.74	-
b) IDFC Mutual Fund	1,85,782	-	5050.64	-
c) SBI Overnight fund - direct growth plan	90,467	-	3301.36	-
			11,252.74	-
Total Aggregate Unquoted Investments			**11,391.74**	-

7. Trade Receivables

	As at 31st March, 2023 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
Current Trade Receivables		
Considered good*	7,038.77	18,594.02
Credit Impaired	297.60	262.04
	7,336.37	18,856.06
Less. Allowance for Doubtful Trade Receivables	(304.00)	(262.04)
Total	**7,032.37**	**18,594.02**

**The Company has an agreement with Goverment of Himachal Pradesh (GoHP) for sale of its power available through various project. The scope includes Sale of GoHP share of power from the projects directly connected to the HPSEBL/HPPTCL system with no trading margin and bill shall be raised by GoHP on TPTCL and further TPTCL shall raise bill on HPSEB. As on 31 March 2023, debtors includes Rs. 4355.38 lakhs (PY 1816.62 lakhs) receivables from HPSEBL and creditors includes Rs. 4355.38 lakhs (PY 1816.62 lakhs) payable to GoHP against sale of power to HPSEBL.*

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.

During the year The Company has booked unbilled revenue by Rs. 29,830.59 lakhs (PY -Rs. 21,205.97 lakhs).The company while computing ageing of trade receivables has not considered provision for expected credit losses amounting to INR 304 lakhs (PY 262.04 lakhs) as credit impaired in ageing. The total of trade receivables as per ageing and as per schedule will not reconcile to that extent.

Trade receivables including unbilled receivables Ageing schedule as at 31st March,2023 ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	30,513.76	4,862.29	79.67	177.74	0.87	10.97	35,645.30
b) Significant increase in credit risk		-	-	-	-	-	-
c) Credit Impaired		-	-	27.89	0.07	64.86	92.82
(ii) Disputed Trade Receivables		-	-	-	-	-	-
a) Considered good		-	-	0.72	-	1,223.34	1,224.06
b) Significant increase in credit risk		-	-	-	-	-	-
c) Credit Impaired		-	-	1.85	-	202.93	204.78

For Related Party details, refer note 29

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Notes to the financial statements for the year ended March 31, 2023

Trade receivables including unbilled receivables Ageing schedule as at 31st March,2022 ₹ Lakhs

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	24,221.23	14,315.44	18.27	8.83	6.24	5.87	38,575.88
b) Significant increase in credit risk		-	-	-	-	-	-
c) Credit Impaired		-	-	0.07	1.92	57.12	59.11
(ii) Disputed Trade Receivables							
a) Considered good		-	-	-	2.45	1,221.66	1,224.11
b) Significant increase in credit risk		-	-	-	-	-	-
c) Credit Impaired		-	-	-	-	202.93	202.93

Tata Power Trading Company Limited

Notes to the financial statements for the year ended March 31, 2023

8. Loans

	As at 00-Jan-00 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
Loans - Unsecured, considered good		
Inter company deposits (ICD) to relared party (refer note 28)	7,500.00	15,000.00
	7,500.00	15,000.00

The Company has given ICD to its Parent Company with Interest rate of 7.2% in current year (previous year 5.6%)

9. Other Financial Assets

	As at 00-Jan-00 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
Non-current		
(i) **Deposits with Banks**	64.88	64.88
(ii) **Security Deposits**		
Unsecured, considered good		
Security Deposits	253.65	250.97
	318.53	**315.85**
Current		
(i) **Security Deposits**		
Unsecured, considered good	543.10	933.36
Unsecured, considered doubtful	15.09	5.00
Less: Provision for doubtful deposits	(15.09)	(5.00)
	543.10	933.36
(ii) **Unsecured, considered good**		
Interest accured on ICD to related party (refer note 28)	6.70	0.55
Interest accured on fixed deposit	8.06	1.61
	14.76	2.16
(iii) **Other Receivables**		
Unsecured, considered good	99.61	29.95
Unsecured, considered doubtful	38.26	25.54
Less: Provision for doubtful receivables	(38.26)	(25.54)
	99.61	29.95
	657.47	**965.47**

10. Non-current tax Assets

	As at 00-Jan-00 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
Non-current tax assets		
Advance Income-tax (Net of provisions)	47.32	508.86
	47.32	**508.86**

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Notes to the financial statements for the year ended March 31, 2023

11. Other Assets

		As at 31st March, 2023	As at 31st March, 2022
		₹ Lakhs	₹ Lakhs
Non-current			
(i)	Prepaid expenses	6.40	6.80
		6.40	**6.80**
Current			
(i)	**Balances with Government Authorities**		
	Indirect tax input credit receivable	1.85	1.85
	VAT/Sales Tax Receivable*	20.79	20.79
		22.64	**22.64**
(ii)	**Other Loans and Advances**		
	Unsecured, considered good		
	Prepaid Expenses and other advances	17.43	58.03
		40.07	**80.67**

**Amount deposited as protest money against demand*

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 31st March, 2023	As at 31st March, 2022
		₹ Lakhs	₹ Lakhs
(i)	Balances with Banks:		
	In Current Accounts	360.45	6,262.96
	In Deposit Accounts (with original maturity less than three months)	6,400.00	-
	Cash and Cash Equivalent as per Balance Sheet	**6,760.45**	**6,262.96**
	Bank Overdraft (Refer Note No.19)	-	-
	Cash and Cash Equivalent as per Statement of Cash Flows	**6,760.45**	**6,262.96**

12.1 Other Balances with Banks

		As at 31st March, 2023	As at 31st March, 2022
		₹ Lakhs	₹ Lakhs
(i)	Balances with Banks:		
	In Deposit Accounts (with original maturity more than three months but less than a year)*	514.37	500.00
		514.37	**500.00**

**Fixed deposits Rs. 514.37 Lakhs (Rs.500 lakhs in PY) under lien for bank gurantee.*

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Tata Power Trading Co. Ltd.

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Notes to the financial statements for the year ended March 31, 2023

13. Equity - Share Capital

	As at 31st March, 2023		As at 31st March, 2022	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Preference Shares of ₹ 10/- each	1,80,00,000	1,800	1,80,00,000	1,800
		3,800		3,800
Issued and subscribed capital comprises:				
Fully paid equity shares of Rs 10 each.	1,60,00,000	1,600	1,60,00,000	1,600
Total Issued, Subscribed and fully Paid-up Share Capital		**1,600**		**1,600**

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

	As at 31st March, 2023		As at 31st March, 2022	
	Number	₹ Lakhs	Number	₹ Lakhs
Equity Shares				
At the beginning of the year	1,60,00,000	1,600	1,60,00,000	1,600
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,60,00,000	1,600	1,60,00,000	1,600

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

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

(b) During the current year, the Company has paid final dividend of ₹ 45 per share on fully paid equity shares for FY 2021-22 amounting to ₹ 7200.00 lakhs upon approval of shareholders in Annual General Meeting dated 24 June, 2022.

For the year ended 31 March, 2023, the Board of Directors at its meeting held on 19 April, 2023 have proposed a final dividend of ₹ 12 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been disclosed as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 1920 lakhs.

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

	As at 31st March, 2023		As at 31st March, 2022	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10/- each fully paid				
The Tata Power Company Limited, Holding Company	1,60,00,000	100%	1,60,00,000.00	100%

14. Other Equity

	As at 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
General Reserve		
Balance at the end of the period	**1,355.00**	**1,355.00**
Securities Premium Account		
Balance at the end of the year	**2,089.50**	**2,089.50**
Retained Earnings		
Balance at the beginning of the period	26,973.61	21,521.84
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit	13.64	(30.04)
Add: Profit for the year	2,087.95	5,481.81
Less: Payment of dividend on equity share ₹ 45 per share	7,200.00	-
Closing Balance	**21,875.20**	**26,973.61**
Deemed capital contribution from Holding company		
Balance at the end of the year	**8.30**	**8.30**
Total of Other Equity	**25,328.00**	**30,426.41**

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Notes to the financial statements for the year ended March 31, 2023

15. Other Financial Liabilities

	As at 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
Current		
(a) Other Payables		
Security Deposits from Customers	984.09	1022.69
Security Deposits from Others	4.62	4.62
Total	**988.71**	**1,027.31**

16. 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 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
Non-current		
Provision for Employee Benefits		
Compensated Absences	173.20	133.84
Gratuity	339.27	237.68
Post Employment Medical Benefit	16.80	15.12
Ex-Gratia and retirement gift	32.21	23.68
Hospitalisation in Service and long service award	20.27	16.51
Total Non-current Provisions	**581.75**	**426.83**
Current		
Provision for Employee Benefits		
Compensated Absences	10.09	7.70
Gratuity	12.61	8.07
Post Retirement Medical	0.14	0.13
Ex-Gratia and retirement gift	3.44	2.33
Hospitalisation in Service and long service award	0.02	0.01
Total Current Provisions	**26.30**	**18.23**

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16.1 Employee benefit plan

16.2 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. 65.82 Lakhs (for the year ended 31st March, 2022 Rs. 47.45 Lakhs) and represents contribution payable to the Employee Provident Fund. As at 31st March, 2023, contribution of Rs. 10.16 Lakhs (as at 31st March, 2022 Rs. 7.99 Lakhs) due in respect of FY 2022-23 (FY 2021-22) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

16.3 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.

Gratutiy
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.

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Principal actuarial assumptions for all the unfunded defined benefits plans:

	As at 31-March-2023	As at 31-March-2022
Discount rate (p.a.)	7.30%	6.80%
Expected rate of salary increase (p.a.) - Management	7.00%	7.00%
Expected rate of salary increase (p.a.) - Non-Management	6.00%	6.00%

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

Demographic assumptions:

	As at 31-March-2023	As at 31-March-2022
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Management Withdrawal rate (p.a.) (age 21 to 44 years)	6.00%	6.00%
Management Withdrawal rate (p.a.) (above 45 years of Age)	2.00%	2.00%
Non Management Withdrawal rate	0.50%	0.50%

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

Rs. in Lakhs

	As at 31-March-2023	As at 31-March-2022
Service Cost		
Current Service cost	29.47	23.23
Past Service cost	0.19	-
Net interest expense	18.89	11.90
Component of defined benefit costs recognised in profit or loss	**48.55**	**35.13**
Remeasurement on the net defined benefit liability :		
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	1.34
Actuarial (Gains)/losses arising from changes in financial assumptions	(22.66)	(6.79)
Actuarial (Gains)/losses arising from experience adjustment	4.43	45.60
Components of defined benefit costs recognised in other	**(18.23)**	**40.15**
Total	**30.32**	**75.28**

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

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

Rs. in Lakhs

Particulars	As at 31-March-2023	As at 31-March-2022
Present value of defined benefit obligation	(404.47)	(287.00)
Present value of defined benefit obligation	**(404.47)**	**(287.00)**

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Notes to the financial statements for the year ended March 31, 2023

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

	As at 31-March-2023	As at 31-March-2022
		Rs. in Lakhs
Opening defined benefit obligations	287.00	186.81
Service cost	29.67	23.23
Interest cost	18.89	11.90
Acquisition credit/(cost)*	105.65	37.83
Actuarial losses arising from changes in demographic assumptions	-	1.34
Actuarial (gains)/losses arising from changes in financial assumptions	(22.66)	(6.79)
Actuarial gains arising from experience adjustment	4.43	45.60
Benefits paid	(18.51)	(12.92)
Closing defined benefit obligations	**404.47**	**287.00**

*During the year company has considered Acquisition cost for whole financial year 2022-23 (PY 2021-22).

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-March-2023 Rs.in Lakhs		As at 31-March-2022 Rs.in Lakhs	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount Rate (-/+0.5%)	(20.81)	22.66	(15.92)	17.50
(% change compared to base due to sensitivity)	5.15%	(5.60%)	5.55%	(6.10%)
Growth Rate (-/+0.5%)	22.31	(20.69)	17.12	(15.73)
(% change compared to base due to sensitivity)	(5.52%)	5.11%	(5.97%)	5.48%
Mortality Rate (-/+1 year)	0.76	(0.75)	0.72	(0.70)
(% change compared to base due to sensitivity)	(0.19%)	0.18%	(0.25%)	0.25%
Withdrawl Rate (-/+5%)	(32.59)	-	(32.59)	-
(% change compared to base due to sensitivity)	8.06%	0.00%	11.36%	0.00%

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

	As at 31-March-2023	As at 31-March-2022
		(Rs. in Lakhs)
Within 1 Year	-	10.88
Between 1 - 2 years	16.77	11.37
Between 2 - 3 years	18.53	13.15
Between 3 - 4 years	20.10	14.67
Between 4 - 5 years	22.49	93.34
Beyond 5 Years	374.64	109.13
	452.53	**252.54**

	As at 31-March-2023	As at 31-March-2022
The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)	7.4 years	7.6 years

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17. 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

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.

	As at 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
Deferred Tax Assets	224.63	181.21
Deferred Tax Liabilities	(809.95)	(875.24)
Total - Net Deferred Tax Liabilities	**(585.32)**	**(694.03)**

Year ended March 31, 2023	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	73.63	16.31	-	**89.94**
Provision for Employee Benefits and Others	107.58	31.70	(4.59)	**134.69**
	181.21	**48.01**	**(4.59)**	**224.63**
Deferred tax liabilities in relation to				
Property, Plant and Equipment	875.24	(74.81)	-	**800.43**
Unrealised gain on Investments	-	9.52	-	**9.52**
	875.24	**(65.29)**	**-**	**809.95**
Net Deferred Tax Liability	**694.03**	**(113.30)**	**4.59**	**585.32**

Year ended March 31, 2022	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred Tax Assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	91.87	(18.24)	-	**73.63**
Provision for Employee Benefits and Others	64.12	33.35	10.11	**107.58**
	155.99	**15.11**	**10.11**	**181.21**
Deferred Tax Liabilities in relation to				
Property, Plant and Equipment	939.25	(64.01)	-	**875.24**
	939.25	**(64.01)**	**-**	**875.24**
Net Deferred Tax Liability	**783.26**	**(79.12)**	**(10.11)**	**694.03**

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Notes to the financial statements for the year ended March 31, 2023

18. Other Current Liabilities

	As at 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
Current		
Statutory Liabilities	373.87	230.93
Advance payments received from Customers	973.29	743.88
Other Liabilities	5.01	-
	1,352.17	**974.81**

19. Current Borrowings

	As at 31st March, 2023	As at 31st March, 2022
	₹ Lakhs	₹ Lakhs
Secured - At Amortised Cost		
From Banks		
Bank Overdraft (refer note 1 and 2 below)	-	-
	-	-

Security

1. Secured by a first charge by way of hypothecation of the Company's moveable including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks except project receivables.
2. The weighted average effective interest rate on the bank loans is 7.56% per annum (as at 31 March, 2022: 7.21% per annum).
3. The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts and there is no discrepancies.

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20. Trade Payables

	As at 31st March, 2023 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
Current		
Outstanding dues of micro enterprises and small enterprises	41.60	4.59
Outstanding dues of trade payables other than micro enterprises and small enterprises*	37,078.81	31,978.47
Total	**37,120.41**	**31,983.06**

**The Company has an agreement with Goverment of Himachal Pradesh (GoHP) for sale of its power available through various project. The scope includes Sell of GoHP share of power from the projects directly connected to the HPSEBL/HPPTCL system with no trading margin and bill shall be raised by GoHP on TPTCL and further TPTCL shall raise bill on HPSEB. As on 31 March 2023, debtors includes Rs. 4355.38 lakhs (PY 1816.62 lakhs) receivables from HPSEBL and creditors includes Rs. 4355.38 lakhs (PY 1816.62 lakhs) payable to GoHP against sale of power to HPSEBL.*

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 2022 : Rs Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act 2006. During the year the company has made interest provision of late payment to MSME by Rs. 0.07 lakhs (Previous year - Nil).

Trade Payables Ageing schedule as at 31st March, 2023

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables							
a) MSME		41.60	-	-	-	-	41.60
b) Others	21,841.91	7,142.57	6,716.45	28.19	18.15	42.78	35,790.05
(ii) Disputed Trade Payabled							
a) MSME			-	-	-	-	-
b) Others			-	-	0.01	1,288.75	1,288.76

Trade Payables Ageing schedule as at 31st March, 2022

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables							
a) MSME		4.59		-	-	-	4.59
b) Others	21,716.88	8,911.34	20.70	5.59	9.60	-	30,664.11
(ii) Disputed Trade Payabled							
a) MSME			-	-	-	-	-
b) Others			-	10.19	11.86	1,292.31	1,314.36

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

		As at 31st March, 2023 ₹ Lakhs	As at 31st March, 2022 ₹ Lakhs
(a)	Principal amount remaining unpaid	41.60	4.59
(b)	Interest due thereon	0.07	-
		41.67	**4.59**
(c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.07	-
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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21. 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, 2023	For Year ended 31st March, 2022
		₹ Lakhs	₹ Lakhs
(a)	**Revenue from power supply**	33,022.41	30,513.81
(b)	**Revenue from power supply of agency nature (refer note 20.1)**	6,706.55	6,165.98
i.	**Total revenue from power supply**	**39,728.96**	**36,679.79**
ii.	**Other Operating Revenue**		
	(i) Income in respect of services rendered	392.82	158.42
	(ii) Income from REC certificate	152.79	139.85
	(iii) Other income	201.84	335.89
		747.45	**634.17**
Total Revenue from Operations		**40,476.41**	**37,313.96**

21.1 Revenue from Power Supply of agency nature

	For Year ended 31st March, 2023	For Year ended 31st March, 2022
	₹ Lakhs	₹ Lakhs
Revenue from Power Supply of agency nature (gross)	10,14,494.04	7,73,959.50
(Less): Cost of power purchase of agency nature (gross)	(10,07,787.49)	(7,67,793.53)
Revenue from power supply of agency nature (Net)	**6,706.55**	**6,165.97**

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Tata Power Trading Co. Ltd. Noida

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Notes to the financial statements for the year ended March 31, 2023

22. Other Income

		For Year ended 31st March, 2023	For Year ended 31st March, 2022
		₹ Lakhs	₹ Lakhs
(a)	**Gain on Investments**		
	Gain on Current Investment - Mutual Funds	424.77	170.71
	Unrealised Gain on fair valuation of Current Investment measured at FVTPL-Mutual Funds	37.83	-
	Gain on Long Term Investment measured at FVTPL	139.00	-
		601.60	**170.71**
(b)	**Other Non-operating Income**		
	Profit on sale of fixed assets	0.50	1.24
	Interest Income from fixed deposits	218.44	149.46
	Other interest (Including interest on ICD)	340.43	732.52
	Delayed payment charges recovered	20.77	21.69
	Liabilities no longer required written back	-	340.02
		580.14	**1244.93**
Total Other Income		**1181.74**	**1415.64**

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Notes to the financial statements for the year ended March 31, 2023

Accounting Policy

23. 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.

c. '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 31st March, 2023	For Year ended 31st March, 2022
	₹ Lakhs	₹ Lakhs
Salaries and Wages	1184.68	970.58
Pension and Contribution to Provident Fund	65.82	47.45
Gratuity Expense	43.54	7.65
Staff Welfare Expenses	171.96	127.07
	1,466.00	**1,152.75**

24. 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 31st March, 2023	For Year ended 31st March, 2022
		₹ Lakhs	₹ Lakhs
(a)	**Interest Expense:**		
	Borrowings		
	Interest on Borrowings from Related Parties	-	0.15
	Interest on Loans - Banks & Financial Institutions	2.78	11.60
	Others		
	Interest on Bank Overdraft	8.10	12.13
	Interest on MSME	0.07	-
		10.95	**23.88**
	Bank charges	282.63	320.58
		282.63	**320.58**
		293.58	**344.46**

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Tata Power Trading Company Limited

Notes to the financial statements for the year ended March 31, 2023

25. Other Expenses

	For Year ended 31st March, 2023 ₹ Lakhs	For Year ended 31st March, 2022 ₹ Lakhs
Rental of Land, Buildings, Plant and Equipment, etc.	140.54	106.15
Repairs and Maintenance-	13.65	0.70
Insurance	9.22	2.07
Other Operation Expenses	282.02	192.65
Travelling and Conveyance Expenses	51.03	25.28
Consultants' Fees	105.76	151.96
Auditors' Remuneration (refer note below)	23.21	21.12
Cost of Services Procured	538.21	458.42
Provision for Doubtful Debts and Advances (Net)	71.00	(72.44)
Brand Equity Expenses	135.36	102.96
Legal Charges	78.83	46.74
Corporate Social Responsibility Expenses (Refer note 25.1)	113.42	103.04
Bad debts	-	103.43
Rates and taxes	9.28	1.08
Miscellaneous Expenses	187.80	135.10
Total	**1,759.33**	**1,378.26**
Note:		
Payment to Statutory Auditors comprise (inclusive of GST)		
- For Statutory audit & limited review	17.30	17.16
- For Tax audit	2.76	2.76
- For Other services	0.30	0.41
- For Reimbursement of expenses	2.85	0.79
Total	**23.21**	**21.12**

25.1 Corporate Social Responsibility

	For Year ended 31st March, 2023 ₹ Lakhs	For Year ended 31st March, 2022 ₹ Lakhs
Contribution to Tata Power Community Development Trust	56.71	29.86
Other expenses	56.71	73.18
Total	**113.42**	**103.04**
Amount required to be spent as per section 135 of the Companies Act 2013.	113.42	103.04
Amount spent during as on date:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	113.42	67.72
Shortfall at the end of the year	-	35.32

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)						
Opening Balances		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	35.32			35.32	-	

26. 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 company 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.

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Tata Power Trading Company Limited

Notes to the financial statements for the year ended March 31, 2023

	For Year ended 31st March, 2023 ₹ Lakhs	For Year ended 31st March, 2022 ₹ Lakhs
Current tax		
In respect of the current year	796.99	1868.81
In respect of the previous years	58.16	(46.18)
	855.15	**1,822.63**
Deferred tax		
In respect of the current year	(113.28)	(79.13)
Total Deferred tax expense	**(113.28)**	**(79.13)**
Total income tax expense	**741.87**	**1,743.50**

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

	For Year ended 31st March, 2023 ₹ Lakhs	For Year ended 31st March, 2022 ₹ Lakhs
Profit before tax	**2,829.82**	**7,225.31**
Income tax expense calculated at 25.17%	712.27	1,818.61
Effect of expenses that are not deductible in determining taxable profit	(23.97)	(39.04)
Effect related to adjustment for previous years	58.16	(46.18)
Effect of items not reclassified to profit & loss account	(4.59)	10.11
	741.87	**1,743.50**

The tax rate used for the financial years 2022-23 and 2021-22 is corporate tax rate of 25.17%. Reconciliations above is the corporate tax payable by corporate entities in India on taxable profits under the Indian tax law.

26.2 Income tax recognised in other comprehensive income

Deferred tax	For Year ended 31st March, 2023 ₹ Lakhs	For Year ended 31st March, 2022 ₹ Lakhs
Remeasurements of defined benefit obligation	(4.59)	10.11
Total income tax recongnised in other comprehensive income	**(4.59)**	**10.11**
Bifurcation of the income tax recognised in other comprehensive income into:		
- Item that will not be reclassified to profit or loss	(4.59)	10.11
- Item that may be reclassified to profit or loss	-	-

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27. 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 Company
- 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, 2023	For the year ended 31st March, 2022
Basic and Diluted earnings per share	13.05	34.26

The financial statements have been prepared on a historical cost basis, except for certain financial assets & financial liablity measured at fair value (refer note 3.2 accounting policy regarding financial instruments & note 3.4.3 regarding financial liablity.)

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, 2023 ₹ Lakhs	For the year ended 31st March, 2022 ₹ Lakhs
Profit for the year attributable to owners of the company	2,087.95	5,481.81
Earnings used in the calculation of basic/ diluted earnings per share (Rs. in Lacs)	2,087.95	5,481.81

	For Year ended 31st March, 2023	For the year ended 31st March, 2022
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.	1,60,00,000	1,60,00,000

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

28. 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.

29. Related party disclosures

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

Controlling entity (CE):

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

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

(i) Tata Power Delhi Distribution Limited (TPDDL)
(ii) Maithon Power Limited (MPL)
(iii) Tata Power Solar Systems Limited (TPSSL)
(iv) Tata Power Renewal Energy Limited (TPREL)
(v) Welspun Renewable Energy Limited (WREL)
(vi) Welspun Solar Kannada Private Limited (WSKPL)
(vii) Vagarai Windfarms Limited (VWFL)
(viii) Tata Power Central Odisha Distribution Limited (TPCODL)
(viiii) Tata Power Northern Odisha Distribution Limited (TPNODL)
(ix) Chirasthayee Saurya Limited (CSL)
(x) TP Southern Odisha Distribution Limited (TPSODL)
(xi) TP Northern Odisha Distribution Limited (TPNODL)
(xi) TP Central Odisha Distribution Limited (TPCODL)
(xii) TP Akkalkot Renewable Ltd
(xiii) Tp Solapur Solar Limited
(xiv) TP Kirnali Ltd
(xv) Walwhan Wind RJ Limited (WWRJL)
(xvi) Nivade Windfarm Ltd (NWL)
(xvii) Poolavadi Windfram Limited (PWL)
(xviii) TP Green Nature Limited

Joint Venture of Controlling entity (where transactions have taken place during the year):

(i) Prayagraj Power Generation Company Limited (PPGCL)

Associates of Controlling entity (where transactions have taken place during the year):

(i) Dagachhu Hydro Power Corporation Ltd (DHPC)

Promoters together with its subsidiary holding more than 20% in Controlling entity:

(i) Tata Sons Private Limited

Key Management Personnel (KMP)

(i) Amit Garg, Chief Executive Officer (till 31 July 2022)
(ii) Tarun Katiyar, Chief Executive Officer (wef 01 August 2022)
(iii) Ritu Gupta, Chief Financial Officer (till 31 May 2022)
(iv) Vikas Gupta, Chief Financial Officer (wef 01 June 2022)
(v) Neha Malik, Company Secretary (till 31st Oct 2021)
(vi) Komal Jolly, Company Secretary (wef 01st Nov. 2021 till 03 Jan 2023)

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Notes to the financial statements for the year ended March 31, 2023

(b) Transaction / balances outstanding with related parties

₹ Lakhs

Particulars	CE	Fellow subsidiaries																		JE of CE	Associates of CE	KMP	Total
	TPCL	TPDDL	MPL	TPSSL	TPSODL	IEL	Nivade	TP Green	TP Solapur	TP Akk	TP Kirnali	WWRJL	VWFL	WREL	WSKPL	POOLAVADI	TPNODL	TPCODL	CSL	Sub-total	PPGCL	DHPC		
(i) Details of transactions for the year ended 31st March, 2023																								
Revenue from power supply and rendering services*	14,516.48	1,69,707.59		41.78	-	-	1.80	4.48	9.72	8.01	12.76	13.01	33.33	6.07	1.03	65.80	-	-	4.07	1,69,909.45	5.40	-	-	1,84,431.33
	1,896.13	*1,37,862.90*	-	*355.22*	-	-			-	-	-	-	*7.91*	*5.89*	*1.04*	*57.71*	-	-	*3.97*	*1,38,294.64*	*42.91*	-	-	*1,40,233.68*
Deputation service rendered	2.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.37
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash discount allowed	-	3,496.79	-	-	-	-			-	-	-	-	-	-	-	-	-	-	-	3,496.79	-	-	-	3,496.79
	-	*2,801.49*	-	-	-	-			-	-	-	-	-	-	-	-	-	-	-	*2,801.49*		-	-	*2,801.49*
Cost of power purchased	54,717.41 *	-	1,78,694.11 *		-	-			-			-	-	-	-	-	-	-	-	1,78,694.11	45,147.92 *	20,000.61	-	2,98,560.05
	30,438.97	-	*1,59,308.59*	-	-	-			-			-	-	-	-	-	-	-	-	*1,59,308.59*	*29,415.37*	*20,740.83*		*2,39,903.76*
Cash discount earned	578.48		3,826.01	-	-	-						-	-	-	-	-	-	-	-	3,826.01	616.14	326.78	-	5,347.41
	324.11	-	*3,743.65*	-	-	-						-	-	-	-	-	-	-	-	*3,743.65*	*386.25*	*350.08*	-	*4,804.09*
Managerial remuneration (see note 2 below)	-	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	289.70	289.70
	-	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	*225.93*	*225.93*
Receiving of services	337.20	-	-	68.51	-	-						-	-	-	-	-	-	-	-	68.51	-	-	-	405.71
	277.23	*1.38*	-	*49.37*	-	-						-	-	-	-	-	-	-	-	*50.75*	-	-	-	*327.98*
Reimbursement of expenses-Paid	-		1,826.42	-	-	-						-	-	-	-	-	-	-	-	1,826.42	-	-	-	1,826.42
	-		*1,226.29*	-	-	-						-	-	-	-	-	-	-	-	*1,226.29*	-	-	-	*1,226.29*
Reimbursement of expenses-Recovered	-	3,682.56		-	-	-						-	-	-	-	-	-	-	-	3,682.56	-	-	-	3,682.56
	-	*3,138.42*	-	-	-	-						-	-	-	-	-	-	-	-	*3,138.42*	-	-	-	*3,138.42*
Purchase of property, plant and equipment	9.87	16.24	-	-	-	-						-	-	-	-					16.24		-	-	26.11
	-	-	-	-	-	-						-	-	-	-							-	-	-
Sale of property, plant and equipment	-	1.31	-	-	3.90	0.29						-	-	-	-	-	-	-	-	5.50	-	-	-	5.50
	-	*0.49*	-	-	-	-						-	-	-	-	-	*0.40*	*0.40*	-	*1.29*	-	-	-	*1.29*
Interest earned on Inter corporate deposit given	327.65	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	327.65
	731.86	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	*731.86*
Interest paid on Inter corporate deposit taken	-	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	-
	0.15	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	*0.15*
Inter corporate deposit given	7,500.00	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	7,500.00
	38,500.00	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	*38,500.00*
Inter corporate deposit received back	15,000.00	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	15,000.00
	23,500.00	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	*23,500.00*
Inter corporate deposit taken	-	-	-	-	-							-	-	-	-	-	-	-	-	-	-	-	-	-
	1,000.00	-	-	-	-							-	-	-	-	-	-	-	-	-	-	-	-	*1,000.00*
Inter corporate deposit repaid	-	-	-	-								-	-	-	-	-	-	-	-	-	-	-	-	-
	1,000.00	-	-	-								-	-	-	-	-	-	-	-	-	-	-	-	*1,000.00*
Dividend Paid	7,200.00	-	-	-	-							-	-	-	-					-		-	-	7,200.00
	-		-	-	-							-	-	-	-					-		-	-	-

*Represent gross agency revenue / cost

Notes:

1. Figures in italics stated for year ended 31st March, 2022
2. 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 for the year ended March 31, 2023

(c) Transaction / balances outstanding with related parties

₹ Lakhs

Particulars	CE	Fellow subsidiaries																		JE OF CE	Associates of CE	Total
	TPCL	TPDDL	MPL	TPSSL	TPREL	IEL	TP Green	Nivade	TP Solapur	TP Akk	TP Kirnali	VWFL	WREL	WSKPL	WWRJL	TPGEL	CSL	POOLAVADI	Sub-total	PPGCL	DHPC	
(ii) Balance outstanding																						
Trade receivables																						
As at 31.03.2023	-	873.51	-	-	10.53	0.29	4.48	1.80	3.49	3.81	4.61	31.88	0.28	0.07	0.84	-	0.83	75.78	1,012.20	-	-	1,012.20
As at 31.03.2022	-	*7,888.41*	*1,918.00*	*1.72*	-							*0.12*	*0.87*	*0.14*		-	*0.52*	*47.16*	*9,856.94*	-	-	*9,856.94*
Security Deposit payable																						
As at 31.03.2023	-	-	-	1.25	-							-	1.53	0.30		-	-	-	3.08	-	-	3.08
As at 31.03.2022	-	-	-	1.25	-							-	1.53	0.30		-	-	-	*3.08*	-	-	*3.08*
Trade payables																						
As at 31.03.2023	4,461.12	-	8,060.70	2.64	-							-	-	-		-	-	-	8,063.34	1,423.17	418.25	14,365.88
As at 31.03.2022	*3,882.05*	-	-	-	-							-	-	-		*24.68*	-	-	*24.68*	*2,611.39*	*854.34*	*7,372.46*
ICD Receivables																						
As at 31.03.2023	7,500.00	-	-	-	-							-	-	-		-	-	-	-	-	-	7,500.00
As at 31.03.2022	*15,000.00*	-	-	-	-							-	-	-		-	-	-	-	-	-	*15,000.00*
Interest accrued on ICD																						
As at 31.03.2023	6.70	-	-	-	-							-	-	-		-	-	-	-	-	-	6.70
As at 31.03.2022	*0.55*	-	-	-	-							-	-	-		-	-	-	-	-	-	*0.55*

Notes:

1. Figures in italics stated are balances as on 31st March , 2022

30. 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.

30.1 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, 2023	31st March 2022	31st March, 2023	31st March 2022
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Financial assets				
Cash and Cash Equivalents	6,760.45	6,262.96	6,760.45	6,262.96
Trade Receivables	7,032.37	18,594.02	7,032.37	18,594.02
Investment	11,391.74	-	11,391.74	-
Unbilled Revenues	29,830.59	21,205.97	29,830.59	21,205.97
Loans	7,500.00	15,000.00	7,500.00	15,000.00
Other Non current & current financial assets	976.00	1,281.32	976.00	1,281.32
Total	63,491.15	62,344.27	63,491.15	62,344.27
Financial liabilities				
Trade Payables	37,120.41	31,983.06	37,120.41	31,983.06
Other financial liabilities	988.71	1,027.31	988.71	1,027.31
	38,109.12	33,010.37	38,109.12	33,010.37

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.

- The fair value of the unquoted equity shares have been estimated using a Market Based Approach. 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 fair value of mutual funds are based on price quotation near the reporting date.
- The fair value of current debtors, bank balances, loans, and current creditors are assumed to be approximates to carrying amount due to short term maturity of there assets and liabilities.

30.2 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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Notes to the financial statements for the year ended March 31, 2023

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) :

	Date of valuation	Fair value hierarchy as at 31st March, 2023			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Asset measured at fair value					
FVTPL financial investments		-	11,252.74		11,252.74
Investment in equity shares of Power Exchange India Limited	31st March, 2023	-	-	139.00	139.00
		-	**11,252.74**	**139.00**	**11,391.74**
Liabilities for which fair values are disclosed					
Floating rate borrowings		-	-	-	-
Total		-	-	-	-

	Date of valuation	Fair value hierarchy as at 31st March, 2022			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Asset measured at fair value					
FVTPL financial investments					
Investment in equity shares of Power Exchange India Limited	31st March, 2022	-	-	-	-
		-	-	-	-
Liabilities for which fair values are disclosed					
Floating rate borrowings		-	-	-	-
Total		-	-	-	-

30.3 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. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

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, 2023	31st March, 2022
		₹ Lakhs
Debt (i)	-	-
Less: Cash and Bank balances	6,760.45	6,262.96
Net debt	(6,760.45)	(6,262.96)
Total Capital (ii)	26,928.00	32,026.41
Capital and net debt	**20,167.55**	**25,763.45**
Net debt to Total Capital plus net debt ratio (%)*	(33.52)	(24.31)

* The Company has no debt obligation for repayment as on 31st March 2023 (Previous year - Nil).

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

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

The Company has been monitoring Net debt to Total Capital plus net debt ratio during the year. there is no change in the overall objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

30.4 Financial risk management objectives and policies

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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, 2023 and 31st March, 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt as at 31st March, 2023. 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:

₹ Lakhs

	As of 31st March, 2023		As of 31st March, 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan*	-	-	-	-
Effect on profit before tax	-	-	-	-

*The Company has no term loan obligation for repayment as on 31st March 2023 (Previous year it was nil).

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) and fromits financing activities including loans and other financial instruments. 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:

	As of 31st March, 2023	As of 31st March, 2022
Trade receivables	7,032.37	18,594.02
Loans	7,500.00	15,000.00
Unbilled	29,830.59	21,205.97
Other Current & Non Current financial assets	976.00	1,281.32
Total	**45,338.96**	**56,081.31**

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.

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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
31st March, 2023					
Non-Derivatives					
Trade Payables	37,120.41	-	-	37,120.41	37,120.41
Other Financial Liabilities	988.71	-	-	988.71	988.71
Total Non-Derivative Liabilities	**38,109.12**	-	-	**38,109.12**	**38,109.12**
31st March, 2022					
Non-Derivatives					
Trade Payables	31,983.06	-	-	31,983.06	31,983.06
Other Financial Liabilities	1,027.31	-	-	1,027.31	1,027.31
Total Non-Derivative Liabilities	**33,010.37**	-	-	**33,010.37**	**33,010.37**

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

₹ Lakhs

	As of 31st March, 2023	As of 31st March, 2022
Secured Long term facility		
Amount used	-	-
Amount unused	-	-
Secured bank overdraft and other loan facilities		
Amount used	-	-
Amount unused	11,484.00	6,808.00

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30.5 **Financial Ratios**

Sl No	Ratios	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	% of Variance	Reason for Variance (where variance is above 25%)
a)	Current Ratio	Current Assets	Current Liabilities	1.61	1.84	-12.50%	
b)	Debt service coverage ratio	PBIT+Non cash operating exp.-Current Tax	Interest and Principle repayment	217.40	243.06	-10.56%	-
c)	Return on equity (%)	Net Profit after tax	Average Shareholder's Equity	7.08%	33.00%	-78.55%	Decrease in profit compare to previous year
d)	Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivables	27.35	25.72	6.34%	-
e)	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	30.18	28.53	5.78%	-
f)	Net capital turnover ratio	Net Sales	Working capital = current assets-current liab.	43.50	27.91	55.86%	Higher sales value due to higher sale price and reduction in working capital compare to previous year
g)	Net profit ratio (%)	Net Profit	Net Sales	0.20%	0.68%	-70.59%	Decrease in profit compare to previous year
h)	Return on capital employed (%)	Earning before Interest and Taxes	Capital Employed = Tangible net worth+Deferred tax liab	10.33%	22.15%	-53.36%	Decrease in profit compare to previous year
i)	Return on investment (%)	Interest	Investments	5.45%	4.78%	14.02%	

31. **Relationship with Struck off Companies**

₹ Lakhs

For FY 2022-23

Sl No.	Name of struck off Company	Nature of transactions with struck off Company	Transaction in Financial Year 2023 including GST	Balance outstanding as on 31st March, 2023	Relationship with the Struck off company
1	Ripe Global Private Limited	Repair and Maintenance of Computer	-	(0.51)	Creditor

For FY 2021-22

₹ Lakhs

Sl No.	Name of struck off Company	Nature of transactions with struck off Company	Transaction in Financial Year 2022 including GST	Balance outstanding as on 31st March, 2022	Relationship with the Struck off company
1	Ripe Global Private Limited	Repair and Maintenance of Computer	-	(0.51)	Creditor

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Notes to the financial statements for the year ended March 31, 2023

32. Contingent Liabilities

(a). 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.

₹ Lakhs

S.No.	Nature of Contingent Liabilities	As of 31st March, 2023	As of 31st March, 2022
1	Claims against the Company not probable and hence not acknowledged as debts consists of (Note1)		
(a)	CLP – TPDDL case at APTEL on non payment of capacity charges by TPDDL to CLP on account of disputes related to wrongful declaration of COD and associated issues in view of non-availability of coal to CLP.	5,340.00	2,353.44
(b)	MSEDCL vs DBPL regarding Non-Supply of Power by DBPL & non enforcement of the LOI's by TPTCL for supply of such Power. Further DBPL has additionally claimed illegal recovery of the compensation which is not in line with the contractual terms by TPTCL & MSEDCL. Further, MSEDCL has filed Petition seeking revocation of Trading license in February 2019 on the ground that TPTCL did not force DBPL to honour the LOI.	340.22	340.22
(c)	Power Company of Karnataka Ltd (PCKL)/ SLDC Issue: Appeal filed by TPTCL challenging on the ground that the KERC has misdirected itself in allowing set offs of amounts claimed under PPA*	-	69.41
2	Claims against the company acknowledged as debt in its books with a similar amount of liability recognized (note 1)	1,426.27	1,424.59

**The Company has paid an amount of Rs. 0.69cr in current year to Power Company of Karnataka Ltd (PCKL) purstant to APTEL order dated March 11, 2022 against the Petition filed by the company challenging the order of Karnataka Electricity Regulatory Commission dated August 01, 2017, subject to final disposal of the case.*

Note 1: The company being a pass- through entity believes that charges if settled in any of the above cases would not devolve the company and would be recovered in its entirely from its customer. Accordingly, the company is confident that no liability will devolve against it.

(b). In addition, to the above amounts, there are certain legal cases where the demand/ claim is not ascertainable, however, the company being a pass-through entity believes that charges if settled in any of the above cases would not devolve the company and would be recovered in its entirely from its customer. Accordingly, the company is confident that no liability will devolve against it.

(c). Based on balance confirmation and reconciliation carried out with seller's , Certain claims with respect to delayed payment surcharge, open access charges, backing down etc have been raised by the sellers which have been informed by the company to the respective purchaser. The Company being a pass-through entity believes that these charges if finalized and settled would not devolve on the company and would be recovered in its entirety from its customer. Accordingly, the Company is confident that no liability will devolve against it.

(d). The Company has provided Letter of Credit and Bank Guarantee of Rs. 60,189.33 lakhs (PY - 57,730.54 lakhs) to its client.

33. Capital Commitments

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

₹ Lakhs

Order placed for	31st March, 2023	31st March, 2022
Softwares	-	44.39

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

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Notes to the financial statements for the year ended March 31, 2023

35. Social Security Code

"The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified."

36. Maintenance of logs of daily back up for books of accounts

The Company has defined process to take daily back-up of books of account maintained electronically and maintain the logs of the back-up of such books of account for cyclic period of 90 days only. Hence, this has not been considered as non-compliance with the provisions of The Companies (Accounts) Rules, 2014 (as amended), since, at any point of time, logs are available for a period upto 90 days. However, management is taking steps to configure systems to ensure that logs of daily back up for books of account is maintained on a daily basis so long as they are required to be maintained under applicable statute.

37. Other Statutory Information

(i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vi) The quarterly returns or statements of working capital loan filed by the company with banks or financial institutions are in agreement with the books of accounts and there is no discrepancies.

38. Previous year figures have been reclassified and regrouped whereever necessary.

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39. Approval of financial Statements

The Financial Statements for the year ended March 31, 2023 were approved for issue by Board of Directors on April 19, 2023.

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

per Ajay Bansal
Partner
Membership No. 502243

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Place: Gurugram
Date: 19 April 2023

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

Ganesh Srinivasan
Director
DIN-08208444

Kiran Gupta
Director
DIN-08196580

Tarun Katiyar
Chief Executive Officer

Vikas Gupta
Chief Financial Officer

Tata Power Trading Co. Ltd. ★ Noida

Place: Noida
Date: 19 April 2023