Lighting up Lives!

14th ANNUAL REPORT 2016-17

TATA POWER TRADING COMPANY LIMITED

Shaping India's Vibrant Power Market

Townhall of TPTCL

CSR Activity: Building Social capital and Infrastructure

CONTENTS

ABOUT US

Introduction

Tata Power Trading Company Limited (Tata Power Trading) is a wholly owned subsidiary of The Tata Power Company Limited (Tata Power). Tata Power is India's oldest and the largest integrated private sector power utility with an installed generation capacity of 9103 MW as on 31st March, 2016. Tata Power has a presence in all areas of power sector viz. Generation (thermal, hydro, solar and wind), Transmission and Distribution. Tata Power Trading has emerged as a pioneer in the Indian power sector, with a track record of performance, customer care and sustained growth.

Tata Power Trading is the first company in India to be awarded a power trading license by Central Electricity Regulatory Commission on 9th June, 2004. Tata Power Trading was incorporated on 31st December, 2003 and converted to public company limited on 16th February, 2004. The Company has progressively upgraded from Category 'A' license in 2004 to Category 'F' on 9th June, 2005 and which was recategorised to Category 'I' on 16th February, 2009. This entitles licensee to trade unlimited power. Tata Power Trading has become a trailblazer in the power trading arena with a host of innovative initiatives.

Tata Power Trading has been at the forefront in shaping India's vibrant power trading market. With access to Technical, Managerial and Financial resources of its parent company, it is uniquely equipped to provide an unmatched range of services, customer care and complete payment security for its customers at the most competitive rates. As an extremely well knit organization, it has domain expertise in all the segments of Power Trading whether it be Marketing, Commercial or Operations, supported ably by the Finance, Legal and Administrative functions.

In a short span of time after receiving the license, Tata Power Trading has catalyzed the flow of electricity across the length and breadth of the country helping bridge the demand and supply gap of the various utilities.

Our Key Strengths

- The name TATA epitomizes the core quality of "Leadership with Trust". Ethics and trustworthiness are our inherent assets and we are committed to create value for all our suppliers and customers. We conduct our operations with absolute professionalism, uncompromising integrity, transparency and total commitment.
- Our operational agility and state of the art techno-commercial platform ensures reliable and timely deliveries.
- We believe in developing and nurturing long term collaborative relationships with our suppliers and customers by being responsive and keeping customer requirements paramount.
- Leveraging generation, transmission and distribution business or our parent organization lends us a unique flexibility in managing energy surpluses and deficits.
- Assurance of timely payment and payment security to power suppliers.

BOARD OF DIRECTORS

Mr. S. Ramakrishnan - Chairman

Mr. S. Ramakrishnan holds a B.Tech (Mechanical) degree from Indian Institute of Technology, Madras and a Management degree from Indian Institute of Management, Ahmedabad. He joined The Tata Administrative Service in 1972 and during his long tenure handled a multitude of national as well as international projects. He is currently working as Advisor to CEO & MD, Tata Power.

Mr. Seethapathy Chander - Independent Director

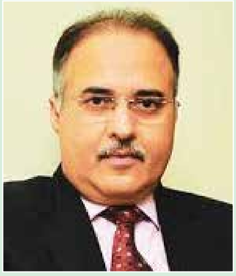
Mr. Seethapathy Chander, a B.Tech in Electrical Engineering from the Indian Institute of Technology (Delhi) and a Diploma in Business Management from IGNOU, has over 37 years of professional experience, 15 years at NTPC, India and over 22 years at the Asian Development Bank (ADB) in Manila, Philippines. Joining a fledgling NTPC in 1977 as one of its first batch of 35 engineering executive trainees, he served at its Corporate Planning, Power Systems Design, and Northern Regional Transmission Construction divisions, and as the chief of staff in the office of the Chairman and Managing Director.

He was part of teams that designed, procured, constructed, and commissioned, NTPC's first 400kV transmission lines and substations, and led the design and procurement of NTPC's (and India's) first high voltage direct current (HVDC) systems. At ADB, Chander led the financing of infrastructure in public and private sector operations in Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Kazakhstan, Laos, the Maldives, Nepal, Sri Lanka, and Uzbekistan. He served as ADB's chief of IT for four years, before becoming the Director General of its Regional and Sustainable Development Department, concurrently serving as its Chief Compliance Officer. He retired from ADB in 2015 as the management's special senior advisor responsible for infrastructure and public private partnerships.

Mr. N. N. Misra - Independent Director

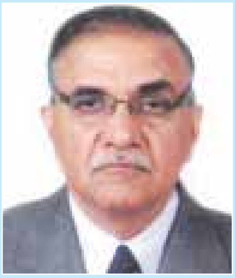
Mr Misra is an eminent power engineer who was on the Board of NTPC, the largest Power Producer in India (installed capacity 43128 mw in2014) as Director(operations) responsible for sustained and efficient performance of it's power stations, maintenance and fuel management (including fuel sourcing) of coal and gas based Power Stations and coal mining among other things. In his long career, Mr Misra had rich and in depth experience in almost all facets of power sector like Design, Engineering, contracts & procurements, human resources and operations of power plant.

Mr Misra was involved in successful implementation and commissioning of first 765 kv substation in NTPC. He is also actively associated with BIS. He represented India in CIGRE(International Conference on Large High Voltage Electrical System) and has contributed in many study committees and working groups of CIGRE.



Mr. Anil Sardana - Director

An Electrical Engineer from Delhi College of Engineering and a Post Graduate Diploma in Management, Mr. Sardana brings with him over three decades of experience in the power & infrastructure sector and has worked with companies like NTPC Limited, BSES (prior to it becoming an ADAG group company), Tata Power Delhi Distribution (erstwhile NDPL). Mr. Sardana also served as the Executive Director (Business Development & Strategy) for Tata Power from 1stMarch 2007 to 3rdAugust 2007 and continued to be on its Board till 1stJuly 2008. Mr. Sardana was the Managing Director of Tata Teleservices Limited for over 3 years from 2007 to 2011. He is presently Managing Director of The Tata Power Company Ltd.



Mr. Ashok Sethi - Director

Mr. Ashok Sethi, a metallurgical engineer from IIT, Kharagpur, started his career as a Mechanical maintenance engineer at Tata Power's Trombay Thermal Power plant. He was associated with the erection & commissioning of India's first 500 MW thermal unit with multi-fuel firing facility and Quality Assurance & commissioning of second 500MW unit. Mr. Sethi subsequently headed Mechanical Maintenance, Planning and Coal handling plant O and M for 1330 MW Trombay station. He assumed charge of three Hydro power stations of Tata Power in 2004

and in addition, from 2006 he was also responsible for T and D business area. In 2007, as Sr. General Manager he was heading Commercial Operations covering Regulatory, Corporate Sourcing, Fuel procurement and Customer relations for the License Area-Mumbai. Mr Sethi assumed the charge of Vice President, License Area Operations, Mumbai from 2008. He is responsible for Thermal & Hydro Stations, Load Control Center, Revenue collection, Customer relations, Demand Side Management and Fuel logistic for its thermal plants.

During the above tenure, Mr Sethi has presented number of papers at conferences organized by NITIE, IIPE, NTPC, CII etc.

Ms. Anjali Kulkarni - Director

Ms. Anjali Kulkarni, aged 57 years, is a graduate in Electronics and Telecommunication from Poona University. She has worked with Tata Power since 1979. During the years in Tata Power, she has worked in the areas of Engineering, Project Management, Commissioning and Maintenance of Thermal Power plants.

She currently handles the position of Head - Project Engineering and is responsible for the engineering of the mechanical systems of new Thermal Power plant projects as well as engineering of capital expenditure projects for operating plants.

Mr. Sanjeev Mehra - Managing Director

Mr. Sanjeev Mehra is B.Tech (Electrical), and PG Diploma in Business Administration. He has a vast experience of over 30 years in Power Sector. He started his career in NTPC as an Executive Trainee in Electrical Design Department & worked there for almost 9 years. Thereafter he joined Power Grid Corporation of India Limited in the Commercial Department. He has taken various challenges in his previous assignments.

When trading of power was conceived and PTC India Limited was formed, he joined it as an initial employee and worked in various functions before joining Tata Power Trading Company Limited as Managing Director in September 2011.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING of TATA POWER TRADING COMPANY LIMITED will be held on Monday, the 28th day of August, 2017 at 12:30 p.m. at the Conference Room of The Tata Power Company Limited, Bombay House, 24, Homi Mody Street, Mumbai 400 001, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend on Equity Share for the financial year ended 31st March 2017.

3. To appoint a Director in place of Mr. Ashok Sethi (DIN: 01741911), who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Ms. Anjali Kulkarni (DIN: 06993909), who retires by rotation and, being eligible, offers herself for re-appointment.

5. **Appointment of Auditors**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, S. R. Batliboi & Co., LLP, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company in place of Deloitte Haskins and Sells LLP, the retiring auditors of the Company, to hold office for a period of 5 years from the conclusion of this, the 14th Annual General Meeting (AGM) of the Company till the conclusion of the till 19th AGM of the Company to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act) to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

6. **Appointment of Mr. N N Misra as a Director and as an Independent Director**

   To consider and if thought fit, to pass following resolution with or without modification as an Ordinary Resolution:

   "RESOLVED that Mr. N N Misra (DIN:00575501), who was appointed as an Additional Director of the Company with effect from 6th January 2017 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

   FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. N N Misra (DIN:00575501), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of three years commencing from 6th January 2017 upto 5th January, 2020, be and is hereby approved."

7. **Re-Appointment of Mr. Sanjeev Mehra as Managing Director**

To consider and if thought fit, to pass following resolution with or without modification as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modi¬fication or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Sanjeev Mehra (DIN: 02626778) as Managing Director of the Company for the period from 1st September, 2017 to 30th November, 2019, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Sanjeev Mehra.

FURTHER RESOLVED that pursuant to Sections 197 and 198 of the Companies Act, 2013, and the Rules framed thereunder, read together with Schedule V and other applicable provisions of the Act, and the recommendation of Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on 22nd July, 2017 the Members do hereby approve the terms of remuneration. Mr. Sanjeev Mehra, Managing Director for FY 2017-18, in case of inadequate profits, such sum shall not exceed the sum as prescribed in Section II (A) Part II of Schedule V of Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

FURTHER RESOLVED that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act), the details of the directors seeking re appointment/appointment under item nos. 6 and 7 above as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. A blank proxy form is sent herewith.

4. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies must be supported by appropriate resolution issued on behalf of the nominating companies.

5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company duly certified copy of the relevant Board resolution authorizing such a representative to attend and vote on their behalf at the meeting.

6. All documents referred to in the accompanying Notice and the Explanatory Statement are open to inspection by the members at the registered office of the Company on all working days up to the date of Annual General Meeting between 9:00 a.m. and 5:00 p.m.

7. The Record Date for the purpose of payment of dividend would be 28th July 2017.

8. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

By Order of the Board of Directors,

Amey Naik
(Chief Financial Officer &
Company Secretary)
ACS No. A48149

Mumbai: 22nd July, 2017

Registered Office:
Carnac Receiving Station,
34, Sant Tukaram Road,
Mumbai 400 009.
Cin: U40100mh2003plc143770
Website: www.tatapowertrading.com
E-Mail: Tptclmarketing@Tatapower.com

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act),the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 and Item No. 7 of the accompanying Notice dated 3rd August, 2017.

Item No. 6: In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of Nomination & Remuneration Committee, Mr. N N Misra was appointed as Additional Director in independent capacity with effect from 6th January 2017 subject to the approval of members of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. N N Misra for the office of Director of the Company.

Mr. N N Misra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and had given his consent to act as a Director.

Brief resume of Mr. N N Misra

Mr. Misra is an eminent power engineer who was on the Board of NTPC Ltd., the largest Power Producer in India as Director (Operations) responsible for sustained and efficient performance of it's power stations, maintenance and fuel management (including fuel sourcing) of coal and gas based power stations and coal mining among other things. In his long career, Mr. Misra had rich and in depth experience in almost all facets of power sector like Design, Engineering, Contracts & procurements, Human Resources and Operations of power plant. Mr. Misra was involved in successful implementation and commissioning of first 765 kV substation in NTPC. He is also actively associated with BIS. He represented India in CIGRE (International Conference on Large High Voltage Electrical System) and has contributed in many study committees and working groups of CIGRE.

Copy of the draft letter for appointment of Mr. N N Misra as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

In the opinion of the Board, Mr. N N Misra fulfils the conditions specified in the Act and rules made thereunder for appointment as Independent Director and he is independent of the management.

Other than Mr. N N Misra, none of the directors or key managerial personnel (KMP) of the company or their respective relatives are concerned or interested in the resolution at item no. 6 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at item No. 6 of the Notice for approval by the members.

Item No. 7: Mr. Mehra joined the Company on 1st September, 2011, as Managing Director. He has about 35 years of experience in power sector. Prior to joining the Company, he was working as Executive Vice President at PTC India Ltd. Mr. Mehra holds a PG Diploma in Business Management from Institute of Management Studies, New Delhi and a B. Tech Degree in Electrical Engineering from G B Pant University of Agriculture and Technology.

Mr. Sanjeev Mehra, aged 57 years, was appointed as Managing Director of the company effective 1st September, 2011 for a period of 3 years. Thereafter, he was re-appointed by the Board as Managing Director of the company from 1st September, 2014 for the period of 3 years i.e. upto 31st August, 2017.

The Board approved the re-appointment of Mr. Sanjeev Mehra as Managing Director of the company, in the Board Meeting held on 22nd July, 2017 for the period from 1st September, 2017 to 30th November, 2019.

The Directors are of the view that the remuneration payable to him is commensurate with his ability and experience. Section II (A) Part II of Schedule V of the Companies Act, 2013 permits the Company with an effective capital ₹ 100 crore and above but less than ₹ 250 crore, to pay a remuneration of not more than ₹ 2.40 crore by passing a special resolution of the shareholders.

The remuneration terms of Mr. Sanjeev Mehra, Managing Director are as follows:

Period: From 1st September, 2017 to 31st March, 2018		
Remuneration		
i)	Basic Salary	₹ 3,07,790/- per month
ii)	Accommodation	Company owned / Leased accommodation in which case repairs, maintenance and society charges will be borne by the Company OR House Rent Allowance and/or Self Housing Maintenance Allowance as per rules.
iii)	Perquisites and Benefits (overall 125% of Basic Salary) will include:	
	a) Leave Travel Allowance	LTA as per rules of the company
	b) Medical	Domiciliary treatment: Reimbursement of medical expenses for self and dependant family at actuals upto ₹ 15,000/- (Rupees Fifteen Thousand only) per annum against medical bills
	c) Education Allowance/ Hostel Subsidy	Education Allowance/Hostel Subsidy for Children as per the rules of the Company
	d) Residential Telephone	Residential Telephone Reimbursement as per the Company Rules
	e) Balance Cash	Balancing Amount to be paid as Balance Cash
The limits mentioned in iii(a) to iii(d) are interchangeable. All benefits mentioned in item iii above shall be subject to an overall ceiling of 125% of the annual Basic Salary and allocation will be as per prevailing tax rules.		
iv)	Other Benefits	
	a) Food Coupons	₹ 500/- (Rupees Five Hundred only) per month applicable to the location of posting.
	b) Car Related Benefits	Company Car scheme as applicable for MA grade and location
	c) Hard Furnishing Allowance	Provision for reimbursement for Hard Furnishing or as allowance as per the rules
	d) Others	Reimbursement towards subscription fees for one Club membership and premium for personal accident insurance as per Company rules.
v)	Leave	As per Tata Power's Trading Company rules
VI)	a) Provident Fund	Eligible for Provident Fund, Superannuation Fund and Gratuity benefits as per Tata Power Trading schemes in force and as amended, altered or modified from time to time.
	b) Superannuation Fund	
	c) Gratuity	
VII)	Performance linked Pay	At the discretion of Management, eligible for annual Performance linked Pay depending on his performance and other factors as determined by Tata Power from time to time.

Other Terms:

1. The annual increments which will be effective 1st April each year, will be merit-based and take into account the Company's performance as well.
2. The eligibility of the above Perquisites and Benefits will be as per Company's existing rules and regulations in force and as amended, altered or modified from time to time.
3. Consolidated Salary and Monthly and Annual Perquisites and Benefits, shall be proportionately deducted on account of absence without leave or authorized absence on loss of pay for any reason.
4. Consolidated Salary, Perquisites and other Benefits will be payable subject to applicable taxes.
5. The Managing Director shall abide by the Tata Code of Conduct during his term.
6. Mr. Sanjeev Mehra shall devote the whole of time to the business of the Company and do his utmost to advance its interest and shall exercise all his powers subject to the superintendence and control of the Board of Directors of the Company.
7. Mr. Sanjeev Mehra shall perform such duties and exercise such powers as may be from time to time delegated to him by the Board of Directors of the Company.
8. Mr. Sanjeev Mehra during the currency of the Agreement shall not disclose or give information regarding the affairs of the Company to any other person.
9. Mr. Sanjeev Mehra shall not after the termination of this agreement represent himself as being in any way connected with or interested in the business of the Company.
10. The Company shall be entitled to terminate the Agreement in the event of Mr. Sanjeev Mehra found guilty of misconduct or negligence in the discharge of his duties.
11. Mr. Sanjeev Mehra shall cease to be a Managing Director of the Company if he ceases, for whatever reason, to be a Director of the Company.

Other than Mr. Sanjeev Mehra, none of the directors or key managerial personnel (KMP) of the company or their respective relatives are concerned or interested in the Special resolution at item no. 7 of the accompanying notice.

By Order of the Board of Directors,

Amey Naik
(Chief Financial Officer &
Company Secretary)
ACS No. A48149

Mumbai: 22nd July, 2017

Registered Office:
Carnac Receiving Station,
34, Sant Tukaram Road,
Mumbai 400 009.
Cin: U40100mh2003plc143770
Website: www.tatapowertrading.com
E-Mail: Tptclmarketing@Tatapower.com

Details of the Directors, seeking appointment/re-appointment at the forthcoming Annual General Meeting

Name of Director	**Mr. N N Misra**	**Mr. Ashok Sethi**
Date of Birth	29th October, 1954	3rd April, 1954
Date of Appointment	6th January, 2017	3rd September, 2007
Expertise in functional areas	Mr. N N Misra has experience of more than four decade. Mr Misra had rich and in depth experience in almost all facets of power sector like Design, Engineering, Contracts & procurements, Human Resources and Operations of power plant.	Mr. Sethi joined the Tata Power on 1st August 1975 as a Graduate Engineer Trainee. He has worked diligently for the last about 41 years at Tata Power in different roles and has got exposure to all aspects of the business such as Thermal and Hydro Generation, Transmission and Distribution, Commercial and Regulatory and Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities
Qualifications	Electrical Engineering from Regional Engineering College, Rourkela in the year 1977	B.Tech from IIT, Kharagpur
Remuneration	Only Sitting Fees will be paid	-
Directorships held in other companies (excluding foreign Companies)	1. Maithon Power Limited 2. Gujarat State Electricity Corporation Limited 3. Coastal Gujarat Power Limited 4. Gujarat Industries Power Company Limited 5. Jaypee Powergrid Limited 6. Feedback Power Operations and Maintenance Services Private Limited	1. Industrial Energy Limited 2. The Tata Power Company Limited 3. Maithon Power Limited
Committee positions held in other companies	**Corporate Social Responsibility Committee** Member - Gujarat Industries Power Company Limited - Jaypee Powergrid Limited **Nomination & Remuneration Committee** Chairperson - Maithon Power Limited Member - Coastal Gujarat Power Limited - Jaypee Powergrid Limited **Audit Committee** Member - Coastal Gujarat Power Limited - Gujarat State Electricity Corporation Limited - Jaypee Powergrid Limited	**Corporate Social Responsibility Committee** Member - The Tata Power Company Limited - Maithon Power Limited **Nomination & Remuneration Committee** Member - Industrial Energy Limited **Executive Committee of Board** Member - The Tata Power Company Limited - Maithon Power Limited **Risk Management Committee** Member - The Tata Power Company Limited **Committee for Financial Facilities and Bank Accounts** Member - The Tata Power Company Limited
Number of Shares held	Nil	Nil

Name of Director	Ms. Anjali Kulkarni	Mr. Sanjeev Mehra
Date of Birth	9th August, 1958	1st November, 1959
Date of Appointment	5th August, 2015	1st September, 2011
Expertise in functional areas	Ms. Anjali Kulkarni has worked with Tata Power since 1979. During the years in Tata Power, she has worked in the areas of Engineering, Project Management, Commissioning and Maintenance of Thermal Power plants	Mr. Sanjeev Mehra has a vast experience of over 35 years in Power Sector. He started his career in NTPC as an Executive Trainee in Electrical Design Department and worked there for almost 9 years. Thereafter, he joined Power Grid Corporation of India Limited in the Commercial Department. He has taken various challenges in his previous assignments. When trading of power was conceived and PTC India Limited was formed, he joined it as an initial employee and worked in various functions before joining Tata Power Trading Company Limited as Managing Director in September 2011.
Qualifications	Ms. Anjali Kulkarni is a graduate in Electronics and Telecommunication from Poona University.	Mr. Sanjeev Mehra is B.Tech (Electrical), and PG Diploma in Business Administration.
Remuneration	Only Sitting Fees will be paid	As given separately in Item No. 7
Directorships held in other companies (excluding foreign Companies)	1. Tata Power Renewable Energy Limited 2. Coastal Gujarat Power Limited 3. Welspun Renewables Energy Private Limited	1. Powerlinks Transmission Limited 2. Solarsys Renewable Energy Private Limited 3. Welspun Energy Rajasthan Private Limited 4. Welspun Urja Gujarat Private Limited 5. Dugar Hydro Power Limited
Committee positions held in other companies	**Corporate Social Responsibility Committee** Chairperson - Tata Power Renewable Energy Limited	**Corporate Social Responsibility Committee** Chairperson - Welspun Urja Gujarat Private Limited Member - Powerlinks Transmission Limited **Committee of Directors** Chairperson - Welspun Urja Gujarat Private Limited - Solarsys Renewable Energy Private Limited - Welspun Energy Rajasthan Private Limited
Number of Shares held	Nil	1 (jointly held with The Tata Power Company Limited)

BOARD'S REPORT

To The Members,

The Directors are pleased to present the Fourteenth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

Figures in ₹ Crore

		FY 17	FY 16
a)	Net Sales/Income from other operations	4,605.71	5,942.82
b)	Operating Expenditure	4,576.85	5,891.17
c)	**Operating Profit**	**28.86**	**51.65**
d)	Add: Other Income	1.47	0.39
e)	Less: Finance Cost	18.04	20.53
f)	Profit before depreciation and tax	**12.29**	**31.51**
g)	Less: Depreciation / Amortiation / Impairment	3.13	2.88
h)	**Profit before tax**	**9.16**	**28.63**
i)	Tax Expenses	3.98	10.12
j)	**Net Profit / (Loss) after Tax**	**5.18**	**18.52**

2. DIVIDEND

During the year, the Directors have recommended a dividend of 25% (₹ 2.5/- per share of ₹ 10 each), subjected to the approval of Members.

3. STATE OF COMPANY'S AFFAIRS

• Financial Performance

Your Company has adopted Indian Accounting Standards (Ind AS) and has presented the present financials alongwith comparatives in line with Ind AS. First time Ind-AS adoption reconciliation has been presented in note to the Financial Statements.

During the year, your Company reported a Profit after Tax (PAT) of ₹ 5.18 crore, as against ₹18.52 crore for the previous year, a decline of 72.03%, primarily on account of losses from Dagachhu transaction. The Operating Revenue was lower at ₹ 4,673.22 crore, as against ₹ 6,021.51 crore mainly on account of decrease in volume traded.

The Earnings per share (EPS) has decreased to ₹ 3.24/- as against ₹ 11.57/- in the previous year.

• Business Environment

India has an installed generation capacity of 315 Giga Watt (GW) as on 31st March, 2017. Generation capacity in the country has been steadily increasing, driven by fresh investments by private players. However, the growth in demand is not in line with the capacity addition as a result the demand growth was less than that expected in 18th Electric Power Survey (EPS). As per Central Electricity Authority's (CEA) Monthly Report of March, 2017, India's generating capacity comprises of 192 GW of coal based capacity, 25 GW of gas based capacity, 44 GW of hydro capacity, 50 GW of renewable capacity and about 6.78 GW of nuclear capacity.

In order to meet the increasing demand of power, the Government of India (GoI) had announced a capacity addition target of 88,537 Mega Watt (MW) from conventional sources and 30,000 MW from renewable sources in the XII plan (2013–17). About 89,274 MW capacity has been achieved from conventional sources and about 30,929 MW capacity from renewable sources. As per draft National Electricity Plan (NEP), a capacity addition of 1,37,796 MW (22,470 MW from conventional source and 1,15,326 MW from Renewables) is expected in 13th Five Year plan (FY 17-22).

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 67,850 MW as on 28th February, 2017. The National Transmission Grid System is divided into five regional grids i.e. North, East, West, South and the North-East. All the grids are frequency synchronized with commissioning of 765kV S/c Raichur – Sholapur line on 31st December 2013 creating a single National Grid. The inter-regional power transfer capacity is planned to be augmented to about 68,050 MW by the end of the XII Plan (2016-17). As per draft NEP, a capacity addition of 45,700 MW is expected to be planned for 13th five year plan (FY 17-22). Southern Region beneficiaries are currently facing corridor constraint on import of power resulting in market splitting and higher prices. However, due to commissioning of new power projects, the availability of power in Southern region has increased significantly. This has resulted in reduction in tariff in Southern region.

Power supply position in the country has generally improved during FY17. As per CEA Monthly Report of February, 2017, the gap between requirement and availability of energy reduced from 2.1% during FY16 to 0.7% during FY17. The gap between peak demand and supply also reduced from 3.2% during FY16 to 1.6% during FY17.

In March 2016, MoP had issued Guidelines on short term competitive bidding wherein all Distribution Companies (Discoms) have to go for short term power purchase through competitive bidding on “DEEP” Portal followed by Reverse auction. Based on the guidelines all the Discoms floated tender through “DEEP” portal for purchase of power. In FY17, total 64 tenders were floated by all the Discoms for short term power purchase totalling more than 1,00,000 MW of power.

MoP has issued Guidelines on Cross Border Trade of Electricity based on which all the cross border transactions with neighboring countries (Nepal, Bhutan and Bangladesh) has to follow the procedures / regulations to be laid down by Hon’ble Commission. As per the Guidelines, the cross border entities will be allowed to execute transactions in Term Ahead Market with prior approval of Designated Authority i.e. CEA.

In addition to the revised Guidelines for Short term Power Procurement, MoP has also issued revised Model Bidding Document for purchase of power by Discom on Medium term basis. From February, 2017 onwards, all Medium term Power Procurement through competitive bidding shall have to be done through “DEEP” portal followed by Reverse Auction. This could reduce the cost of power purchase of the Discom.

Electricity traded in the short term power market during FY17 was 119 Billion Units (BUs), 10.30 % of total generation; comprising of 4.83% through Bilateral, 3.46% through power exchanges and 2% through Unscheduled Interchange (UI). The volume traded in short term power market has increased by 3.47% from FY16 to FY17.

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. Due to this, trading margins are under pressure. New trading licensees are aggressively trying to enter into the short term market with lower trading margin.

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 Ujwal Discom Assurance Yojna (UDAY) Scheme, efforts towards financial turnaround of the Discoms have expected. However, at present, procurement by Discoms on the Case I route is not progressing as envisaged, due to poor financial condition of Discoms. Merchant prices are also dampened as load-shedding is preferred by Discoms against supplying unmet demand of its customers.

c. **UDAY Scheme:**

UDAY was conceived by Ministry of Power for the financial turnaround and revival of Power Distribution companies (Discoms), and ensure a sustainable permanent solution to the problem.

As an impact of UDAY Scheme, payment issues are getting resolved. Moving the losses of the Discom to the government's balance sheet has helped them get more loans from the bank but, ultimately, they need to ensure they stop making losses.

d. **Transmission Constraints:**

Power trading was also adversely affected by continued corridor constraints for power flow from Eastern Region (ER) and Western Region (WR) to Southern Region (SR) leading to prevalence of high prices for the customers in the Southern states. During the year, corridor constraints also cropped for power flow from ER/WR to Northern Region (NR) which led to stranding of significant generating capacities in these regions.

e. **Fuel price risk:**

There is an obligation on Discom for competitive bidding through Case I or Case II route for power procurement. Such procurement is not progressing as envisaged earlier, as the generators are unwilling to take fuel price risks and would like it to be built into the tariff. The prevailing low short term market prices are one of the major factors that the States are not procuring power on long term basis and are resorting to meet their demand through short term / medium term contracts.

f. **Open access slow 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.

- **Operations**

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

a. **Trading Operation:**

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

Your Company has traded 14,583 MUs in FY17 as compared to 17,305 MUs in the previous year (decrease of about 15.73% year on year) and has shown a compounded annual growth rate (CAGR) of 21.17% over the past five years. Your Company was ranked the third largest trader with a market share of 12.28% in FY17 amongst the top 10 traders. Further, in the area of Renewable Energy Certificates (RECs) trading, your Company has emerged as one of the largest trader in the REC market during the year.

Your Company is the only trading company having presence in Mumbai, Chennai and Noida along with resident representatives in Hyderabad, Bangalore, Ahmedabad, Dehradun, Bhubaneswar and Kolkata. The trading operations are carried out from the Control Room at its Noida office and functions on 24x7 on 365 days basis.

Under the Tata Electricity Account Mate (TEAM) initiative launched by Tata Power, your Company is playing a key role in supplying conventional / renewable power to several Tata Group Companies like Tata Consultancy Services Limited, The Indian Hotels Company Limited, Tata Motors Limited, Tata Communication Limited, Tata Steel Limited, Titan Company Limited, Tata Power Solar Systems Limited, etc and enabling them to achieve energy cost optimization.

In line with the approach of focusing on retail portfolio, your Company has sold about 1,270 MUs to open access consumers during the year.

b. Generation Operation:

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

A. 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 into with SASTRA University for a period of 15 years.

During the year, the project generated 1.89 MUs (1.72 MUs in FY16) at a Plant Load Factor (PLF) of about 17.26%.

B. 4 MW Wind Project Rojmal District Gujarat

The 4 MW (2 x 2 MW) Wind Power Plant at Rojmal, District Botad, Gujarat was commissioned on 17th April, 2015. The power to be 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 7.61 MUs (6.79 MUs in FY16) at a PLF of about 21.72%.

Projects Under Execution

Your Company is executing a 3 MW Solar Photovoltaic (PV) power plant at Noamundi in Jharkhand through an Engineering, Procurement and Construction (EPC) contract route and has awarded the turnkey, fixed time-fixed price EPC contracts to Tata Power Solar Systems Limited (TPSSL), a wholly owned subsidiary of The Tata Power Company Limited (Tata Power).

The entire power from the Project shall be sold to Tata Steel Limited (Tata Steel) for a period of 15 years. The project has been installed and is in advance stage of commissioning for declaring commercial operation date (CoD).

- **Upgrading IT Infrastructure**

Your Company initiated various IT initiatives in FY17 to strengthen business processes resulting value addition to the business. Major initiative being introduction of mobile application for exchange customers for securely uploading daily power bids and receiving obligations and invoices. This enables our exchange customers to facilitate exchange power trading through trading system on-the-go.

- **Tata Business Excellence Model (TBEM)**

The Tata Business Excellence Model (TBEM) matrix has been conceived to deliver strategic direction and drive business improvements at the Tata Group. Aimed at enabling Tata Group companies capture the best global business processes and practices, the business excellence assessment model invests Tata Group companies with the inherent dynamism to evolve and keep pace with ever-changing business performance parameters. The main objectives of the Tata business excellence model assessment methodology is to enhance value for all stakeholders and contribute to marketplace success, maximise enterprise-wide effectiveness and capabilities, and deliver organisational and personal learning.

Your Company submitted the TBEM application for the first time and it was well appreciated by the TBEM assessors.

- **Future Growth Areas**

The Forecasting, Scheduling, and Deviation Settlement of Wind and Solar generators have opened up an opportunity for your Company to introduce a new area of business i.e. Qualified Coordinating Agency (QCA) Services. CERC and few State Electricity Regulatory Commissions (SERC) have come up with forecasting, scheduling and Deviation Settlement Mechanism (DSM) Regulations. Your Company has entered into QCA coordinating services. This require the Company to carry out forecasting of generation, submission of schedules, metering, data collection/transmission, coordination, undertake the commercial settlement with Regional Load Dispatch Center (RLDC) / State Load Dispatch Center (SLDC) and de-pooling of the applicable charges with all the relevant wind/solar generators.

Under Perform, Achieve and Trade (PAT) mechanism, 38 lakh Energy Saving Certificates (ESCerts) have been issued by MoP in PAT cycle -I. CERC has issued the Regulations as well as the Procedures on transactions of ESCerts. Bureau of Energy Efficiency (BEE), as an administrator will soon announce the commencement of trading of the Energy Saving Certificates on Exchanges. Your Company has geared up to start this new business using its experience in Renewable Energy Certificates (REC) segment.

- **Customer Satisfaction Survey**

Your Company conducts the Consumer Satisfaction Survey (C-Sat Survey) every year and adopted Computer Aided Web Interview (CAWI) methodology for obtaining customer response utilizing free service from qualtrics.com for survey. The C-Sat Survey were divided into four Segments i.e. service quality, staff accessibility and complaint resolution, commercial aspects and brand imagery.

The C-Sat Survey Score of this financial year (FY17) has increased by 6% i.e. 84% as compared to previous financial year (FY16) score of 78%.

4. Reserve

The net movement in the various reserves of the Company for FY17 and the previous year are as follows:

		₹ crore
Particulars	**FY17**	**FY16**
Revaluation Reserve	Nil	Nil
Securities Premium Account	20.90	20.90
General Reserve	13.55	13.55
Surplus in Statement of Profit and Loss	107.49	108.04

5. Directors and Key Managerial Personnel

- **Policy on appointment of directors**

Extract on the policy is added as Annexure II.

- **Additions**

During the period under review, Mr. N N Misra (DIN: 00575501) was appointed as Additional Director and Independent Director w.e.f. 6th January, 2017, to hold office up to the date of the forthcoming Annual General Meeting. Notice under Section 160(1) of the Companies Act, 2013 (the Act) has been received from a member proposing his appointment as Independent Director. The Board now recommends his appointment as Independent Director not liable to retire by rotation.

Mr. Sanjeev Mehra was re-appointed as Managing Director of the Company for a period from 1st September, 2017 to 30th November, 2019 in the Board Meeting held on 22nd July, 2017, subject to approval of the shareholders.

Mr. Amey Naik, Chief Financial Officer of the Company was also appointed as the Company Secretary with effect from 20th January, 2017.

- **Retirements / resignations**

Mr. Ramesh Subramanyam (DIN: 02421481) resigned with effect from 14th May, 2016 from the Board of Directors, due to official preoccupations. The Board thanked him for his services and contributions.

Mr. Piyush Mankad (DIN: 00005001) term in the office as Independent Director had ended on 18th November, 2016. The Board thanked him for his services and contributions.

Mr. Arun Srivastava (DIN: 03547779) resigned with effect from 1st September, 2016 from the Board of Directors, on his superannuation from Tata Power. The Board thanked him for his services and contributions.

Mr. T N Ramakrishnan, Company Secretary, submitted his resignation to the Board with effect from 19th January, 2017, due to official preoccupations. The Board thanked him for his services and contributions.

Ms. Anjali Kulkarni (DIN: 06993909) and Mr. Ashok Sethi (DIN: 01741911) are liable to retire by rotation and being eligible offer themselves for reappointment.

- **Number of Board Meetings and dates**

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

i) 13th May, 2016
ii) 15th July, 2016
iii) 8th November, 2016
iv) 20th January, 2017
v) 24th March, 2017

The names and categories of the Directors of the Board and their attendance at the Board Meeting is as under.

Sr. No.	Name of the Director	Category of Directorship	Number of Board Meetings attended
1	Mr. S Ramakrishnan	Non-Independent, Non Executive	5/5
2	Mr. Seethapathy Chander	Independent, Non Executive	5/5
3	Mr. Piyush Mankad		3/3
4	Mr. N. N Misra		2/2
5	Mr. Anil Sardana	Non-Independent, Non Executive	5/5
6	Mr. Ashok Sethi		5/5
7	Mr. Ramesh Subramanyam		1/1
8	Ms. Anjali Kulkarni		4/5
9	Mr. Arun Srivastava		2/2
10	Mr. Sanjeev Mehra	Executive	5/5

Further, a meeting of Independent Directors was also held on 24th March, 2017.

- **General Body Meetings**

Annual General Meeting (AGM) for FY16 was held on 15th July, 2016. Extra-ordinary General Meetings was held on 13th February, 2017 for the approval of remuneration of Mr. Sanjeev Mehra, Managing Director for FY17.

We confirm the above is a complete list of all Shareholder / Member meetings, Board and Committee meetings held during FY17.

- **A statement on declaration given by independent directors under sub-section 149 (7). - All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company**

  All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

- **The following disclosures shall be made on the remuneration of directors. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.**

  Added as Annexure VI

- **Committees of the Board**

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

  Audit Committee, meetings held on 13th May, 2016, 15th July, 2016, 27th October, 2016 and 20th January, 2017.

  Corporate Social Responsibility (CSR) Committee meetings held on 13th May, 2016, 15th July, 2016, 8th November, 2016 and 20th January, 2017.

  Nomination and Remuneration (NRC) Committee meetings held on 15th July, 2016, 8th November, 2016, 20th January, 2017 and 24th March, 2017.

6. Evaluation of Board Performance

The Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. The following process was adopted for Board Evaluation:

- Feedback was sought from each Director about their views on the performance of the Board covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders.
- Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- The Nomination and Remuneration Committee (NRC) then discussed the above feedback received from all the Directors.
- Based on the inputs received, the Chairperson of the NRC presented to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole, and of the Chairperson. The performance of the non-independent non-executive directors and Board Chairperson was also reviewed by them.
- Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) was discussed by the Chairperson of the NRC with the Chairperson of the Board.
- Feedback was provided to the Directors, as appropriate.

7. Regulatory

7.1 Regulatory Environment

a. Policy on Cross Border Trade of Electricity, Ministry of Power

The power ministry has issued guidelines to facilitate cross-border trade of electricity. Based on this policy, the CERC has issued draft Regulations on trade of electricity.

✓ According to the guidelines, a participating Entity will be eligible for cross-border trading on Indian power exchanges, including Indian Energy Exchange Ltd. (IEX) and Power Exchange India Ltd., in term-ahead contracts, intra-day contracts and contingency contracts, except day-ahead contracts.

- ✓ The interconnection between India and its neighbouring countries will be planned jointly by transmission planning agencies with the approval of the respective governments.
- ✓ Further, tariffs for import of electricity by Indian entities, including traders, distribution licensees from generating stations directly, and traders located outside India, will be determined through competitive bidding.
- ✓ MoP has notified Member (Power System) of CEA as Designated Authority. The Designated Authority shall facilitate the process of approval and laying down the procedure for cross border transaction & trade in electricity.
- ✓ Post these guidelines, draft regulations for Cross Border Trade of Electricity have been issued by CERC.

b. CERC Procedure for Implementation of Framework on Forecasting, Scheduling and Imbalance Handling for Renewable Energy (RE)

- ✓ This Procedure shall be followed by National Load Despatch Centre (NLDC), all Regional Load Despatch Centres (RLDCs), Regional Power Committees (RPCs), and State Load Despatch Centres (SLDCs), regional entity Wind / solar generating stations including power parks, Principal Generators, Lead Generator.
- ✓ RE Generator or Lead Generator or Principal Generator or Solar Power Park Developer or Wind Power Park Developer shall submit one time details to concerned RLDC
- ✓ RE Generator or Lead Generator or Principal Generator shall provide available capacity, day ahead forecast and schedule through web based application.
- ✓ **Lead Generator -** One of the generating stations using renewable sources of energy, individually having less than 50 MW installed capacity, but collectively having an aggregate installed capacity of 50 MW and above.
- ✓ **Principal Generator -** The existing generating station which agrees to act as the “Principal Generator” on behalf of the renewable energy generating station(s) which is seeking connectivity through the electrical system of the existing generating station.
- ✓ **RE Generator -** (i) the Wind or Solar generators who are regional entities and (ii) Solar generators with installed capacity of more than 50 MW within a Solar Power Park (iii) Renewable energy projects based on wind or solar resources having capacity of 500 MW and above,
- ✓ This procedure shall be applicable to (i) all RE Generators, which are regional entities as defined in Grid Code, are covered under the ambit of this procedure, (ii) RE Generators connected to ISTS and having aggregate generation capacity of 50 MW and above (iii) Any renewable energy generating station of 5 MW capacity and above but less than 50 MW capacity developed by a generating company in its existing generating station (iv) Lead Generator/Principal Generator/Solar Power Park Developer/Wind Power Park Developer.
- ✓ Regional forecasting shall be done by the concerned RLDC to facilitate secure grid operation. RE generator shall provide the forecast to the concerned RLDC which may be based on their own forecast or RLDC’s forecast.

c. Andhra Pradesh State Electricity Regulatory Commission (APERC) Draft Regulations 2016 on Forecasting, Scheduling and Deviation Settlement

- ✓ Forecasting and scheduling mandatory for all wind and solar generators connected to the Andhra Pradesh (AP) State grid.
- ✓ Error calculated on the basis of Available Capacity with 10% & 15% tolerance for new & old projects respectively
- ✓ The reference for old & new projects to be date of notification of this regulation.
- ✓ Deviation charges will be calculated on the basis of actual generation.
- ✓ 16 revisions will be allowed during the day, applicable from 4th time-block onward.
- ✓ Settlement to be done through the QCA a state entity registered with SLDC or the “Aggregator.

- ✓ Each Pooling Sub-station to have only one QCA who shall be SPOC with SLDC for energy account, deviation settlement, coordination and issuance of instructions for dispatch/ curtailment.
- ✓ The QCA/Generator to send a day & week ahead forecast for each pooling or generating station.

d. Gujarat Electricity Regulatory Commission (GERC) Draft Regulations 2017 on Forecasting, Scheduling and Deviation Settlement

- ✓ Wind and Solar generators and those represented by QCAs, shall mandatorily provide the technical specifications at the beginning and whenever there is any change to the SLDC in a format as prescribed by the SLDC
- ✓ The QCA may aggregate one or more pooling stations (either injecting wind energy, solar energy or both), aggregate even at the state level for leveraging maximum benefit of aggregation.
- ✓ The QCA shall co-ordinate the aggregation of schedules of all generators connected to a pooling station and communicate it to the SLDC. In case of the generators who are directly connected to the Sub-station, such generators or the QCA appointed/nominated by such generators shall communicate their schedule at interface / interconnection point to the SLDC
- ✓ In case of QCA appointed by renewable energy generator for forecasting and scheduling work, the QCA shall be responsible for the payment payable on behalf of the generator.
- ✓ When the QCA appointed by the generator for the purpose of these regulations, the responsibility for all the payments payable on behalf of the RE generators shall be of QCA.
- ✓ The QCA shall be held responsible with regard to dues payable/receivable on behalf of the generator, if the generator fails to pay the deviation charges payable under these regulations through the QCA. The RE generators, QCA and SLDC shall sign a tri-party agreement in this regard and it required to submit to the SLDC and get approved from the Commission by the SLDC.
- ✓ The QCA shall have the experience in the field of Wind/Solar Power forecasting and scheduling for a minimum period of 2 years
- ✓ The QCA shall have capability to handle multiple plant owners connected to a Pooling Station in order to be well positioned to de-pool deviation charges
- ✓ The QCA must have experience in working in different terrain & regions as wind/Solar generation depends on these factors and such experience facilitates better scheduling
- ✓ The net worth of the QCA from forecasting & scheduling services must be in positive amounting to at least ₹ 2.5 crore in the current financial

7.2 Regulatory Orders/Petitions of relevance

Proposal of launching Green Day Ahead Market - Petition By Indian Energy Exchange

- ✓ IEX has filed a petition before CERC for introducing Green Day Ahead Market (G-DAM) on Exchange
- ✓ As per this market, Solar as well as Non Solar RE generators would be able to bid on Exchange and obligated entities would be placing buy bids for the fulfillment of their Renewable Purchase Obligation (RPO) along with off take of the power.
- ✓ Prices discovery method would be similar to existing Day Ahead Market (DAM) market
- ✓ Window for the bidding in G-DAM market would fall between 8:00 a.m. to 9:00 a.m. Final obligation would be issued at 11:30 a.m.
- ✓ In case bids on this G-DAM market are not cleared, the buyers and seller with their unsuccessful bids may be able to participate in existing DAM market
- ✓ IEX has proposed to change the bid call session for the existing DAM market between 12:00 p.m. to 2:00 p.m. and final obligation as proposed would be issued at 5:00 p.m.
- ✓ Solar and Non Solar RE generators whose bids are cleared in G-DAM session will be considered as Solar and Non Solar Green power and buyers would be using this power for meeting their RPO

- ✓ In case bids submitted by RE generators are not cleared in G-DAM and the same get cleared in DAM, REC shall be issued corresponding to cleared Solar and Non Solar bids

8. 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.

Risk Management Sub Committee (RMSC) Meetings revise management of risk management framework annually.

Due to rigorous Risk Management system (which includes quarterly rating of Discom), your company's debtors outstanding is one of the lowest in the power trading industry.

• Business Continuity and Disaster Management Program (BCDMP)

Your Company is certified ISO 22301:2012 Company. Mockdrills and Table Top Exercise 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 has appointed Mr. Parshuram Date, 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.

As per the provisions of section 177 of the Companies Act, 2013 and the Audit Committee Charter, one of the roles and responsibility of the Audit Committee is to review the effectiveness of the Company's Internal Control System.

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 FY17, 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 was rolled out this year, 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 on the basis of 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.

8. 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.

Pursuant to Section 177(9) of the Companies Act, 2013, a vigil mechanism is required to be established for the Directors and employees to report any instances of unethical behavior, actual or suspected, fraud or violation of TCOC.

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

9. Sustainability

9.1 Safety – Care for our People

Safety Statistics FY17:

Sl. No.	Safety Parameters (Employees and contractors)	FY17	FY16
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

9.2 Care for our Community/ Community Relations

Your Company has a CSR Policy in place, the CSR Committee passed the policy on 21st October, 2015, which was revisited on 13th May, 2016. The CSR budget for FY17 was ₹ 78.33 lakhs.

Your Company has invested in following schemes under CSR activities:

I. Remedial Education Support in Railway Affected villages - MPL:

Your Company has spent ₹ 35.94 lakhs in FY17 towards providing education at 33 Government covering around 5000 students in Railway Affected Villages at MPL. Through above investment, your company has also switched to Digital mode of learning for the students in above Government Schools. Library books have been provided in above school to enhance their learning capability. Sports kits have been provided to ensure all round development of the students at Schools.

II. Utkarsh Shiksha School Building:

Your Company has spent ₹ 10.72 lakhs in FY17 for construction of a school building at Dombhui in Maithon.

III. Construction of Solar RO Plant:

Your Company has spent ₹ 22.20 lakhs in FY17 for construction of Solar RO Plant at Dombhui Village in Maithon. The installation of above RO plant shall facilitate 1000 litres per hour of clean drinking water for the nearby villagers of Maithon.

IV. Construction of Toilet at School:

Your Company has spent ₹ 3.90 lakhs in FY17 for construction of Toilet for the boys and girls in the above School at Dombhui in Maithon. It has facilitated students to use clean toilet in School.

V. ARADHYA VT Centre:

Your Company has spent ₹ 3.33 lakhs at ARADHYA VT Centre in Shakurpur (Delhi). Vocational trainings were provided to students (50% under SC/ST category) under various categories as indicated below:

a) 60 students were provided training on course of Beauty Learning.

b) 127 Students were provided Computer Training.

c) 70 students were trained on Remedial Education Centre.

d) 42 Students were provided training on Soft Skills development.

Visit to Aradhya VT Centre

VI. Donation of 30 old Computers to TPDDL:

Your Company refurbished old computers at the cost of ₹ 0.27 lakhs and donated it to TPDDL for imparting trainings to the poor children at their Training Centre.

Refurbished old computers used in TPDDL Training Centre

VII. Supporting Udyan Ghar with a seven seater vehicle:

Your Company has spent ₹ 4 lakhs for providing grant to a foster home in Greater Noida, Udyan Ghar for purchase of a seven seater vehicle. The Vehicle is being used for transportation of girls of the Udyan Ghar for their safety.

7 seater vehicle provided to Udayan Ghar, Greater Noida

VIII. Installation of 5KW Solar Panel at Jan Kalyan Trust:

Your Company has spent ₹ 3.95 lakhs for installation of a 5KW Solar Panel at an Old Age Home, Jan Kalyan Trust in Noida.

5 kW Solar Panels installed at Jan Kalyan Trust, Noida

IX. Support to UP Govt. Upper Middle School on Infrastructure

Your company has spent around ₹ 1.31 lakhs in providing basic infrastructure like furniture's to UP Govt. Upper Middle School Vishrakh Gautam Buddh Nagar, Noida. Earlier the students used to sit in the floor. In the next financial year, other resource like electric fan, tube lights, water pump would be provided.

Benches provided to UP Govt. Upper Middle School, Noida

The details of CSR expenses are added as Annexure III.

9.3 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.

10. Human Resources

10.1 Manpower

As on 31st March, 2017, Tata Power Trading Company Ltd. has 40 employees on its payrolls.

10.2 Employee Engagement

The Company conducts an Employee Engagement Survey, outsourced to Aon Hewitt, for its employees annually. The results were shared with management and action plans were developed to address the concerns. Various employee engagement activities were conducted during the year:

- Employee's suggestions and issues were identified and addressed through Engagement Action Planning (EAP) workshops.
- All initiatives identified under EAP workshops have been successfully closed in the year. As a result of intense

identification and deployment of EAP workshops for all employees, the engagement score of the Company was 68%, which has increased by 5% from last year.

- HR Connect, Pulse Connect and Townhalls were organized for all employees. This helped in establishing connect with employees and understanding their issues for speedy and smooth resolution.
- Various rewards and recognition programs were organized for employees. Xpressions, an online portal for recognition and building connect, was used extensively by employees.

10.3 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. Some of the key programs that were organized include the following:

- Management Development programs were organized to build managerial capability of people managers.
- Employees were nominated for both functional and behavioral trainings, based on training needs identified for them.
- A training program on QCA, a new business adopted by the Company, was conducted for all employees, to prepare them for the upcoming business and its challenges.
- Training sessions were organized to familiarize and train employees on SAP Enterprise Resource Planning (ERP).
- Awareness programs on POSH (Policy on Sexual Harassment) was organized for employees.

10.4 Sexual Harassment

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has a Policy on Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the FY17:

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	:	2
Nature of action taken by the employer or District officer	:	Not applicable

11. 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.

12. Particulars of loans, guarantees or investments under Section 186

The company has not given any loans, guarantee or investment under section 186.

13. Foreign Exchange Earnings and Outgo

		₹ crore
Particulars – Standalone	**FY17**	**FY16**
Foreign Exchange Earnings mainly on account of interest, dividend	0	0
Foreign Exchange Outflow mainly on account of:		
Fuel purchase	0	0
Interest on foreign currency borrowings, NRI dividends	0	0
Purchase of capital equipment, components and spares and other miscellaneous expenses	0.04	0.05

14. 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 amended the Charter of the Related Party Transaction to bring the terms of reference and scope in conformity with the provisions of the Act, relating to omnibus approval and transactions between holding and wholly owned subsidiary company.

During the year, the Company did not enter into any transactions with related parties which were not at arm's length.

15. Auditors

M/s Deloitte, Haskins and Sells, Chartered Accountants, who are the statutory auditors of your Company, hold office until the conclusion of the forthcoming Annual General Meeting.

As per Sub-Section 2 of Section 139 of Companies Act, 2013, the terms of the appointment of Deloitte, Haskins and Sells, their term has expired. Therefore, it is proposed to appoint S. R. Batliboi & Co., LLP, Chartered Accountants, as Statutory Auditors of the Company in place of Deloitte Haskins & Sells LLP, Chartered Accountants (existing auditors), for a period of 5 years from the conclusion of the AGM of the Company in 2017 till the conclusion of the AGM in 2022, subject to ratification of their appointment at every AGM. SRBC has, under Section 141 of the Act, furnished a certificate of its eligibility for appointment. The Members year on year will be requested, to ratify their appointment as Auditors and to authorize the Board of Directors to fix their remuneration.

16. Auditors' Report

Extract of Auditor's report is given in Annexure VII.

17. Secretarial Audit Report

Extract of Secretarial Auditor's report is given in Annexure VIII.

18. Directors' Responsibility Statement

Based on the framework of IFC and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of IFC 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 Control were adequate and effective during the FY17.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

(ii) They have, in the selection of the accounting policies consulted the Statutory Auditors and have 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, to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safe guarding 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 that such internal financial controls are adequate and were operating effectively;

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. 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 for extending their support for exploring possibilities of trade in day ahead market in power exchanges.

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,

S Ramakrishnan
Chairperson
(DIN: 00005090)

Mumbai, 22nd July, 2017

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. Research and Development (R&D)

A. Conservation of Energy - Nil

B. Technology absorption, adaptation and innovation

1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	Nil
2	Benefits derived as a result of the above efforts	Nil
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: a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons there of and future plans of action	Nil

1. TECHNOLOGY ABSORPTION - Nil
2. TECHNOLOGIES BEING REVIEWED/ADOPTED - Nil

On behalf of the Board of Directors,

S Ramakrishnan
Chairperson
(DIN: 00005090)

Mumbai, 22nd July, 2017

ANNEXURE II – POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

1. Objective

1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the Board of Directors ('the Board') of Tata Power Trading Company Limited (the Company).

1.2 The Company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive Directors is one important facet of diverse attributes that the Company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. Attributes of Directors

The following attributes need to be considered in considering optimum board composition:

i) Gender diversity:

Having at least one woman director on the Board with an aspiration to reach three women Directors.

ii) Age

The average age of board members should be in the range of 60 - 65 years.

iii) Competency

The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the Company's businesses, energy commodity markets and other disciplines related to the Company's businesses.

iv) Independence

The independent Directors should satisfy the requirements of the Companies Act, 2013 (the Act) and the listing agreements in respect of the 'independence' criterion.

Additional Attributes

- The Directors should not have any other pecuniary relationship with the Company, its subsidiaries, associates or joint ventures and the Company's promoters, besides sitting fees and commission.
- The Directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as Directors or employees or other stakeholders (other than with immaterial dealings) of the Company, its subsidiaries, associates or joint ventures.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the Directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The Directors should have ability to devote sufficient time to the affairs of the Company.

3. Role of the Nomination and Remuneration Committee

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent Directors.

4. Review of the Policy

4.1 The NRC will review the policy periodically and recommend revisions to the board for consideration.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of the Directors, Key Managerial Personnel ("KMP") and all other employees of Tata Power Trading Company Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to the Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission to each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/ her role as the Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/ Board Committee meetings, General Meetings, Court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a Director.

Remuneration of the Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - Driven by the role played by the individual,
  - Reflective of size of the company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay,
  - Consistent with recognized best practices and
  - Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and
  - Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.
  - The Company provides retirement benefits as applicable.
  - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
  - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

a) The services rendered are of a professional nature; and

b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE III – ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	TPTCL has been actively working on five thrust areas in CSR: • Primary Education with focus on girl child • Health and Drinking Water • Livelihood and Employability • Social Capital and Infrastructure • Inclusive Growth The Company's CSR policy, including overview of projects or programs proposed to be undertaken, are provided on the Company website: http://tatapowertrading.com/pdf/CSR-Policy.pdf
2	The composition of the CSR committee	1. Ms. Anjali Kulkarni (Chairperson) 2. Mr. Seethapathy Chander 3. Mr. Sanjeev Mehra
3	Average net profit of the company for last three financial years.	₹ 39.17 crore (as per Section 198 of Companies Act, 2013)
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 78.33 lakhs
5	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year	₹ 78.37 lakhs
(b)	Amount unspent, if any	Nil
(c)	Manner in which the amount spent during the financial year is detailed below	Details provided below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Project/ Program (Specify local area/ state and district)	Amount Outlay (Budget) project wise	Amount Spent on projects or programs Subheads: Direct and Overheads	Cumulative expenditure up to 31/03/17	Amount spent: Direct or through implementation agency
I	"Remedial Education Support in Railway affected villages-MPL"	Child Primary Education	Maithon, Jharkhand	₹ 17.43 Lakhs	₹ 17.43 Lakhs	₹ 17.43 Lakhs	Tata Power Community Development Trust
II	"Utkarsh Shiksha School Building"	Child Primary Education	Maithon, Dhanbad.	₹ 16.08 Lakhs	₹ 16.08 Lakhs	₹ 16.08 Lakhs	Tata Power Community Development Trust
III	"Construction of Solar RO Plant"	Health	Dombhui village, Nirsa Block, Dhanbad	₹ 24.66 Lakhs	₹ 24.66 Lakhs	₹ 24.66 Lakhs	Tata Power Community Development Trust
IV	Construction of toilet in School	Building Social Capital and Infrastructure (SANRACHNA)	Dombhui village, Nirsa Block, Dhanbad	₹ 3.90 Lakhs	₹ 3.90 Lakhs	₹ 3.90 Lakhs	Tata Power Community Development Trust
V	ARADHYA VT Center	Child Primary Education	Sakurpur, Delhi	₹ 6.72 Lakhs	₹ 6.72 Lakhs	₹ 6.72 Lakhs	Direct
VI	Donation of 30 old Computers to TPDDL	Enhancing Programs on Livelihood	Delhi	₹ 0.60 Lakhs	₹ 0.60 Lakhs	₹ 0.60 Lakhs	Direct
VII	Supporting Udayan Ghar with a seven seater vehicle	Enhancing Programs on Livelihood	Delhi	₹ 4.00 Lakhs	₹ 4.00 Lakhs	₹ 4.00 Lakhs	Direct
VIII	Installing 5 kW Solar panel at Jan Kalyan Trust	Building Social Capital and Infrastructure	Noida, Uttar Pradesh	₹ 4.00 Lakhs	₹ 3.95 Lakhs	₹ 3.95 Lakhs	Direct
IX	Support to UP Govt. Upper Middle School on Infrastructure	Child Primary Education	Noida, Uttar Pradesh	₹ 1.31 Lakhs	₹ 1.03 Lakhs	₹ 1.03 Lakhs	Direct
	Total			**78.71**	**78.37**	**78.37**	

The details of major programs undertaken under the above thrust areas are as follows:

Augmenting Primary Education System with emphasis on girl child education (VIDYA)

- Enhanced the normal teaching methodology to digital mode of learning
- Tutorial, Beauty Culture & Computer classes to the learners of Vocational Training Centre
- Supporting Udayan Ghar with a seven seater vehicle
- Grant to Government School for the arrangement of drinking water, Uniform, electric fans, tables and benches

Enhancing Programs on Livelihood (SAMRIDDHI) & Employability (DAKSH)

- Donation of old 15 PCs to Vocational Training Center
- Soft skills training to the learners of Vocational Training Centre

Building Social Capital and Infrastructure (SANRACHNA)

- Construction of new School Building for "Dombhui Utkramit Madhya Vidhayalaya"
- Installing 5 kWp Solar panel at Jan Kalyan Trust

Building and Strengthening Healthcare Facilities including safe drinking water (AROGYA/ SWATCH JAL)

- Provide safe drinking water to community in Podardih village, in railway

Building Social Capital and Infrastructure (SANRACHNA)

- Construction of toilet for the students of school

6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report	The Company has met the requirement of amount to be spend on CSR activities.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company	The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Anjali Kulkarni
Chairperson CSR Committee
(DIN: 06993909)

Sanjeev Mehra
Managing Director
(DIN: 02626778)

ANNEXURE IV – RELATED PARTY TRANSACTIONS

- Policy on dealing with Related Party Transactions - http://tatapowertrading.com/resources/downloads.php
- 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)

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 and Nature of Relation	Nature of Contracts/ Arrangements/ Transactions	Duration	Salient terms including value	Date (s) of approval by the Board	Amount paid as advances, if any
Maithon Power Limited (Fellow Subsidiary)	Purchase of Power	April 2016 to March 2017	As per CERC Regulation/Order	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Sale of Fixed assets	April 2016 to March 2017	At written down value	N.A.	Nil
Tata Power Delhi Distribution Limited (Fellow Subsidiary)	Supply of Power	April 2016 to March 2017	As per CERC Regulation/Order	N.A.	Nil
Tata Power Solar Systems Limited (Fellow Subsidiary)	Purchase of fixed assets	April 2016 to March 2017	Lowest Bidder	N.A.	Nil
Maithon Power Limited (Fellow Subsidiary)	Purchase of fixed assets	April 2016 to March 2017	At written down value	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Revenue from power supply	April 2016 to March 2017	Lowest Bidder	N.A.	Nil
Tata Power Renewable Energy Limited (Fellow Subsidiary)	Sale of Fixed assets	April 2016 to March 2017	At written down value	N.A.	Nil
Tata Power Solar Systems Limited (Fellow Subsidiary)	Supply of Power	April 2016 to March 2017	Linked to Exchange discovered price	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Reimbursement of Expenses	April 2016 to March 2017	Price charged by third party vendor	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Revenue from sale of REC certificate	April 2016 to March 2017	Service charges for REC Tender on Exchange	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Power purchased	April 2016 to March 2017	Linked to Tender/ Exchange discovered price	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Receiving of services	April 2016 to March 2017	Rental space, Business Management etc.	N.A.	Nil

On behalf of the Board of Directors,

S Ramakrishnan
Chairperson
(DIN: 00005090)

Mumbai, 22nd July, 2017

ANNEXURE V – LOANS, GUARANTEES, SECURITIES AND INVESTMENTS MADE

					Loans		Guarantees	Securities	Acquisitions		
Nature of transaction (whether Loan/ Guarantee/ Security/ Acquisition)	Name of Person/ Body Corporate (recipient)	Amount of Loan/ Security/ Acquisition/ Guarantee	Tenure	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
None											

ANNEXURE VI – ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U40100MH2003PLC143770
2.	Registration Date	31st December, 2003
3.	Name of the Company	Tata Power Trading Company Limited
4.	Category / Sub-Category of the Company	Public Company
5.	Address of the Registered office and contact details	Carnac Receiving Station, 34-Sant Tukaram Road, Carnac Bunder, Mumbai, Maharashtra
6.	Whether listed Company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Electrical Energy	2716	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	The Tata Power Company Limited	L28920MH1919PLC000567	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
(i) Category-wise Shareholding									
Category of Share-holders	**No. of Shares held at the beginning of the year (in crore)**				**No. of Shares held at the end of the year (in crore)**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters (1) Indian									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	-	1.60	1.60	100%	-	1.60	1.60	100%	0%
e) Banks / FI									
f) Any Other….									
Sub-total (A) (1):-	**-**	**1.60**	**1.60**	**100%**	**-**	**1.60**	**1.60**	**100%**	**0%**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**1.60**	**1.60**	**100%**	**-**	**1.60**	**1.60**	**100%**	**0%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**1.60**	**1.60**	**100%**	**-**	**1.60**	**1.60**	**100%**	**0%**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Compa-ny	%of Shares Pledged / encumbered to total shares	
1	The Tata Power Company Limited	15,999,994	100%	-	15,999,994	100%	-	-
2	The Tata Power Company Limited and Mr. A S Bapat	1	0%	-	1	0%	-	-
3	The Tata Power Company Limited and Mr. H M Mistry	1	0%	-	1	0%	-	-
4	The Tata Power Company Limited and Mr. Sanjay Dube	1	0%	-	1	0%	-	-
5	The Tata Power Company Limited and Mr. Deepak Mahendra	1	0%	-	1	0%	-	-

6	The Tata Power Company Limited and Mr. Sanjeev Mehra	1	0%	-	1	0%	-	-
7	The Tata Power Company Limited and Mr. Ramesh Subramanyam	1	0%	-	1	0%	-	-

(iii) Change in Promoters' Shareholding (please specify if there is no change)

Sl. No.	Name Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	The Tata Power Company Limited								
2	The Tata Power Company Limited and Mr. A S Bapat								
3	The Tata Power Company Limited and Mr. H M Mistry								
4	The Tata Power Company Limited and Mr. Sanjay Dube								
5	The Tata Power Company Limited and Mr. Deepak Mahendra				NO CHANGE				
6	The Tata Power Company Limited and Mr. Sanjeev Mehra								
7	The Tata Power Company Limited and Mr. Ramesh Subramanyam								

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	NA				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sanjeev Mehra jointly held with The Tata Power Company Limited	1	0%	NA	NA	0	0%	1	0%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Figures in ₹ crore

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	189.34	69.13	-	258.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.29	-	-	0.29
Total (i+ii+iii)	**189.63**	**69.13**	**-**	**258.76**
Change in Indebtedness during the financial year				
- Addition	1217.84	470.87	-	1688.71
- Reduction	(1228.34)	(540)	-	(1768.34)
Net Change	**(10.5)**	**(69.13)**	**-**	**(79.63)**
Indebtedness at the end of the financial year				
i) Principal Amount	178.86	-	-	178.86
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	0.27			0.27
Total (i+ii+iii)	**179.13**	**-**	**-**	**179.13**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Figures in ₹ lakhs

Sl. No.	Particulars of Remuneration	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	134.55
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify…(performance based)	
5.	Others, Retirement Benefits	As per policy
	Total (A)	
	Ceiling as per the Act	240.00

B. Remuneration to other Directors:

Figures in ₹ lakhs

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee Meetings*	Commission**	Others, please specify	
I.	**Independent Directors**				
	Mr. Seethapathy Chander	6.20	Nil	Nil	6.20
	Mr. Piyush Mankad	3.00	Nil	Nil	3.00
	Mr. N N Misra	2.40	Nil	Nil	2.40
	Total (A)	**11.60**	**Nil**	**Nil**	**11.60**
II.	**Other Non-Executive Directors**				
	Mr. S Ramakrishnan	**4.60**	**Nil**	**Nil**	**4.60**
	Mr. Anil Sardana	Nil	Nil	Nil	Nil
	Mr. Ashok Sethi	Nil	Nil	Nil	Nil
	Mr. Ramesh Subramanyam	Nil	Nil	Nil	Nil
	Mr. Arun Srivastava	Nil	Nil	Nil	Nil
	Ms. Anjali Kulkarni	2.00	Nil	Nil	2.00
	Total (B)	**6.60**	**Nil**	**Nil**	**6.60**
	Total Managerial Remuneration	**18.20**	**Nil**	**Nil**	**18.20**

None of the NEDs had any pecuniary relationship or transactions with the Company

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/ Whole Time Director

Figures in ₹ lakhs

Sl. No.	Particulars of Remuneration	Mr. Amey Naik (CFO & CS)	Mr. T N Ramakrishnan (CS) (April, 2016 to January, 2017)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	39.55	7.06
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify…(performance based)		
5.	Others, Retirement Benefits		
	Total	**39.55**	**7.06**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors,

S Ramakrishnan
Chairperson
(DIN: 00005090)

Mumbai, 22nd July, 2017

ANNEXURE VII – SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Tata Power Trading Company Limited
CARNAC RECEIVING STATION, 34-SANT TUKARAM ROAD
CARNAC BUNDER, MUMBAI, Maharashtra
PIN - 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** (here in after 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 my opinion thereon.

Based on our verification of the **Tata Power Trading Company Limited** 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 secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism 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 maintained by **Tata Power Trading Company Limited** ("The Company") for the financial year ended on 31st March 2017 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **NOT APPLICABLE**

(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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **NOT APPLICABLE**

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **NOT APPLICABLE**

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **NOT APPLICABLE**

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**

(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 client; **NOT APPLICABLE**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **NOT APPLICABLE**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**

(vi) The Electricity Act, 2003

(vii) CERC Rules & other Regulations issued from time to time, viz, CERC (Fixation of Trading Margin) Regulations, 2010, CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 and other related matters Regulations

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **NOT APPLICABLE**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

Major decision is carried through is carried through while the dissenting members' view are captured and recorded as part of the minutes.

We further report 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 undertaken the following activities:

(i) Public/Right/Preference issue of shares/Debentures/Sweat equity, etc.

(ii) Redemption/Buy-back of securities

(iii) Major decision in pursuance to Section 180 of the Companies Act, 2013

(iv) Foreign technical collaborations.

For Nirbhay Kumar & Associates

Nirbhay Kumar
C.P. 7887
M. No. 21093

Place: New Delhi
Date: 22.04.2017

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
To The Members of TATA POWER TRADING COMPANY LIMITED
Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company does not have any pending litigations which would impact its financial position – Refer Note 34(b) to the Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 33(b) to the Ind AS financial statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 35 to the Ind AS financial statements.

      iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 - Refer Note 9.1 to the Ind AS financial statement.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016') issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

Place: New Delhi
Date: 5th May, 2017

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **TATA POWER TRADING COMPANY LIMITED** (“the Company”) as of 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

Place: New Delhi
Date: 5th May, 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets (property, plant and equipment):

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

   b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. The Company does not have any immovable properties of freehold land and building and in respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. The Company does not have any buildings that have been taken on lease and disclosed as fixed asset in the Ind AS financial statements.

ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

vii. According to the information and explanations given to us, in respect of statutory dues:

   a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities.

      We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company did not give rise to Customs Duty and Excise Duty.

   b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

      We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company did not give rise to Customs Duty and Excise Duty.

   c. There are no dues of Income-tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes.

   We are informed that the Company's operations do not give rise to Customs Duty and Excise duty.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

Place: New Delhi
Date: 5th May, 2017

TATA POWER TRADING COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

	Notes	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	2,839.48	3,032.64	933.23
(b) Capital work-in-progress	4	2,591.39	2,311.66	3,559.95
(c) Intangible assets	5	307.41	413.59	50.49
(d) Intangible assets under development	5	-	-	254.72
(e) Financial assets				
(i) Investments	6	387.00	365.25	343.50
(f) Non current tax assets (net)	19	92.20	91.46	67.87
(g) Deferred tax assets (net)	16	-	-	5.26
(h) Other non-current assets	10	230.55	230.94	-
Total non-current assets		**6,448.03**	**6,445.54**	**5,215.02**
Current assets				
(a) Financial assets				
(i) Trade receivables	7	48,703.13	67,104.61	52,801.28
(ii) Cash and cash equivalents	9	810.56	27.35	342.92
(iii) Other financial assets	8	12,858.32	18,114.38	12,556.83
(b) Other current assets	10	149.39	23.86	165.70
Total current assets		**62,521.40**	**85,270.20**	**65,866.73**
Total assets		**68,969.43**	**91,715.74**	**71,081.75**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	1,600.00	1,600.00	1,600.00
(b) Other equity	12	14,192.66	14,248.64	13,368.39
Total equity		**15,792.66**	**15,848.64**	**14,968.39**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	3,403.98	2,152.34	630.00
(b) Provisions	15	225.21	201.43	-
(c) Deferred tax liabilities (net)	16	511.44	321.09	-
Total non-current liabilities		**4,140.63**	**2,674.86**	**630.00**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	14,233.37	23,558.80	24,559.22
(ii) Trade payables	18	32,599.43	47,140.29	26,893.01
(iii) Other financial liabilities	14	1,667.88	1,717.87	3,191.12
(b) Provisions	15	8.56	2.67	-
(c) Current tax liabilities (net)	19	-	70.49	162.96
(d) Other current liabilities	20	526.90	702.12	677.05
Total current liabilities		**49,036.14**	**73,192.24**	**55,483.36**
Total liabilities		**53,176.77**	**75,867.10**	**56,113.36**
Total equity and liabilities		**68,969.43**	**91,715.74**	**71,081.75**
See accompanying notes to the financial statements	1-38			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
5th May, 2017

For and on behalf of the Board of Directors

S. Ramakrishnan
Chairman

Sanjeev Mehra
Managing Director

Amey Naik
Chief Financial Officer & Company Secretary

New Delhi
5th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

	Notes	Year ended 31-Mar-17	Year ended 31-Mar-16
I Revenue from operations	21	460,571.33	594,282.99
II Other income	22	147.29	39.07
III **Total income (I + II)**		**460,718.62**	**594,322.06**
IV **Expenses**			
(a) Cost of power purchased		462,330.80	594,288.30
Less: Cash discount earned		6,846.67	7,868.32
		455,484.13	**586,419.98**
(b) Employee benefits expense	23	919.52	517.98
(c) Finance costs	24	1,803.56	2,053.25
(d) Depreciation and amortisation expense	25	312.65	287.99
(e) Other expenses	26	1,282.67	2,179.54
Total expenses (IV)		**459,802.53**	**591,458.74**
V **Profit before tax (III-IV)**		**916.09**	**2,863.32**
VI **Tax expense:**			
(a) Current tax	27	429.75	233.42
(b) Deferred tax	27	(31.99)	778.14
		397.76	**1,011.56**
VII **Profit for the year (V-VI)**		**518.33**	**1,851.76**
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit and loss - Remeasurements of the defined benefit plans		(7.48)	(12.92)
(ii) Income tax relating to items that will not be reclassified to profit and loss	27	2.59	4.27
IX **Total other comprehensive income**		**(4.89)**	**(8.65)**
X **Total comprehensive income for the year (VII + IX)**		**513.44**	**1,843.11**
Earnings per equity share [face value of share Rs. 10 each]			
(a) Basic (in Rs.)	28	3.24	11.57
(b) Diluted (in Rs.)	28	3.24	11.57

See accompanying notes to the financial statements 1-38

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
5th May, 2017

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Managing Director

Amey Naik
Chief Financial Officer & Company Secretary

New Delhi
5th May, 2017

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

(₹ in Lacs)

a. Equity share capital

	Amount
Balance as at 1st April, 2015	1,600.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	**1,600.00**
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,600.00**

b. Other equity

		Reserves and surplus			
	Deemed capital contribution from holding company	Securities premium reserve	General reserve	Retained earnings	Total
Balance as at 1 April, 2015	**-**	**2,089.50**	**1,355.00**	**9,923.89**	**13,368.39**
Add: Profit for the year	-	-	-	1,851.76	1,851.76
Add: Other comprehensive income (net of tax)	-	-	-	(8.65)	(8.65)
Total comprehensive income for the year	**-**	**-**	**-**	**1,843.11**	**1,843.11**
Less: Payments of dividends	-	-	-	(800.00)	(800.00)
Less: Tax on proposed dividend	-	-	-	(162.86)	(162.86)
Balance as at 31st March, 2016	**-**	**2,089.50**	**1,355.00**	**10,804.14**	**14,248.64**
Add: Issue of financial guarantee by holding company	8.30	-	-	-	8.30
Add: Profit for the year	-	-	-	518.33	518.33
Add: Other comprehensive income (net of tax)	-	-	-	(4.89)	(4.89)
Total comprehensive income for the year	**8.30**	**-**	**-**	**513.44**	**521.74**
Less: Payments of dividends	-	-	-	(480.00)	(480.00)
Less: Tax on proposed dividend	-	-	-	(97.72)	(97.72)
Balance as at 31st March, 2017	**8.30**	**2,089.50**	**1,355.00**	**10,739.86**	**14,192.66**

In terms of our report attached

For **Deloitte Haskins & Sells**
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Alka Chadha
Partner

New Delhi
5th May, 2017

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Chief Financial Officer & Company Secretary

New Delhi
5th May, 2017

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

(₹ in Lacs)

	Notes	Year ended 31-Mar-17	Year ended 31-Mar-16
Cash flows from operating activities			
Profit for the year		518.33	1,851.76
Adjustments for :			
Tax expense recognised in profit or loss		397.76	1,011.56
Finance costs recognised in profit or loss		1,803.56	2,053.25
Gain arising on financial assets designated as at FVTPL		(21.75)	(21.75)
Dividend income from current investments-mutual funds		-	(9.96)
Gain on sale of current investments		(108.13)	(7.36)
Interest income on fixed deposits		(17.40)	-
(Gain) / loss on disposal of property, plant and equipment		(0.01)	0.81
Provision for doubtful trade receivables and other financial assets		-	421.55
Provision for doubtful trade receivables and other financial assets written back		(33.25)	-
Liability no longer required written back		(1.98)	-
Depreciation and amortisation expense		312.65	287.99
Amortisation of prepayment for leasehold land		0.40	0.40
		2,850.18	**5,588.25**
Movements in working capital			
(Increase)/decrease in other non-current assets		-	(9.60)
(Increase)/decrease in trade receivables		18,487.24	(14,768.72)
(Increase)/decrease in other current financial assets		5,203.85	(5,513.48)
(Increase)/decrease in other current assets		(125.53)	141.84
Increase/(decrease) in provisions		25.95	191.19
Increase/(decrease) in trade payables		(14,540.86)	20,247.28
Increase/(decrease) in other current financial liabilities		(136.95)	(612.36)
Increase/(decrease) in other current liabilities		(175.22)	25.07
Cash generated from operations		**11,588.66**	**5,289.47**
Income taxes paid		(276.04)	(797.00)
Net cash generated by operating activities		**11,312.62**	**4,492.47**
Cash flows from investing activities			
Payments for property, plant and equipment		(318.77)	(2,496.98)
Proceeds from disposal of property, plant and equipment		1.10	1.33
Payments to acquire current investments		(191,095.00)	(58,810.00)
Proceeds on sale of current investments		191,201.39	58,817.36
Dividend income from current investments-mutual funds		-	9.96
Interest income received on fixed deposits		17.40	-
Net cash used in investing activities		**(193.88)**	**(2,478.33)**
Cash flows from financing activities			
Proceeds from long term borrowings		1,500.00	1,658.00
Repayment of long term borrowings		(135.66)	-
Proceeds from short term borrowings		167,284.42	194,108.87
Repayment of short term borrowings		(166,845.74)	(204,917.12)
Dividend paid		(480.00)	(800.00)
Tax on dividend paid		(97.72)	(162.86)
Finance costs paid		(1,796.72)	(2,024.43)
Net cash used in financing activities		**(571.42)**	**(12,137.54)**
Net increase / (decrease) in cash and cash equivalents		**10,547.32**	**(10,123.40)**
Cash and cash equivalents at the beginning of the year		(9,780.48)	342.92
Cash and cash equivalents at the end of the year	**9**	**766.84**	**(9,780.48)**
See accompanying notes to the financial statements	1-38		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
5th May, 2017

For and on behalf of the Board of Directors

S. Ramakrishnan
Chairman

Sanjeev Mehra
Managing Director

Amey Naik
Chief Financial Officer & Company Secretary

New Delhi
5th May, 2017

1. General information:

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

2. Significant accounting policies:

a) Statement of compliance

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

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Theseare the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 2(u) for the details of first-time adoption exemptions availed by the Company.

b) Basis of preparation and presentation:

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

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

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

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

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

c) Use of estimates

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

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

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

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2(h)(ii). Also see note 16 and 27.

Estimation of onerous contract provision related to Dagachhu Project

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

Provision for employee benefits

The policy for the employee benefits have been explained under note 2(h). Also see note 15and 32.

d) Revenue recognition

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

i. Revenue from sale of power is accounted for based on rates agreed with the customers and is inclusive of trading margin (as applicable).
ii. For sale of power under banking arrangements only margin earned on the transactions is accounted for as revenue.
iii. Revenue in the nature of advisory services rendered towards finalisation of power purchase agreements, CDM services, load management etc. is recognisedas determined under the terms of respective agreements.
iv. Delayed payment charges for power supply on grounds of prudence are recognised when recovery is virtually certain.
v. Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.
vi. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
vii. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Leasing

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

The Company as lessor

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

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

The Company as lessee

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note2 (g) below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

f) Foreign currencies

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

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

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

g) Borrowing costs

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

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

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

h) Employee benefits

i) Retirement benefit costs and termination benefits

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

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

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

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

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

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

ii) Short-term and other long-term employee benefits

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

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

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

i) Taxation

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

i) Current tax

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

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

ii) Deferred tax

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

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

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

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

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

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

iii) Current and deferred tax for the year

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

j) Property, plant and equipment

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

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

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

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 nature of the asset, the

estimated usage of the asset, the operating conditions of the asset, etc.
Plant and Equipment - Wind Mill: 25 years
Plant and Equipment - Solar Plant: 15 years
Motor Vehicles: 5 years

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

k) Intangible assets:

i) Intangible assets acquired separately

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

ii) Derecognition of intangible assets

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

iii) Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Software license: 5 years

l) Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

m) Provisions

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

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

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

i) Onerous contracts

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

n) Financial instruments

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

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

o) Financial assets

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

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

i) Effective interest method

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

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

ii) Financial assets at fair value through other comprehensive income

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

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

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

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

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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

iv) Impairment of financial assets

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

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

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

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

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

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

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

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

v) Derecognition of financial assets

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

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

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

vi) Foreignexchange gains and losses

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

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

p) Financial liabilities and equity instruments

i) Classification as debt or equity

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

ii) Equity instruments

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

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

iii) Financial liabilities

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

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.

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

q) Cash and cash equivalents

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

r) Cash Flow Statement

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

s) Earnings per equity share

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

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

t) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

u) First-time adoption - mandatory exceptions, optional exemptions

i) Overall principle

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

ii) Derecognition of financial assets and financial liabilities

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

iii) Classification of debt instruments

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

iv) Impairment of financial assets

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

v) Cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to restate retrospectively all its property, plant and equipment, investment property, and intangible assets as per the Ind AS 16.

vi) Determining whether an arrangement contains a lease

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

Note 3 Standards issued but not yet effective

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

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

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

(₹ in Lacs)

Carrying amounts of :	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Plant and equipment (See note below)	2,833.36	3,024.97	918.29
Vehicles	1.53	1.53	6.00
Furniture and fixtures	3.78	4.11	2.46
Office equipment	0.81	2.03	6.48
	2,839.48	**3,032.64**	**933.23**
Capital work-in-progress	2,591.39	2,311.66	3,559.95
	5,430.87	**5,344.30**	**4,493.18**

	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment	Total
Cost					
Balance as at 1st April, 2015	975.76	15.28	9.74	16.83	1,017.61
Additions	2,315.33	-	1.99	2.37	2,319.69
Disposals	28.92	-	0.05	2.61	31.58
Balance as at 31st March, 2016	**3,262.17**	**15.28**	**11.68**	**16.59**	**3,305.72**
Additions	14.58	-	-	0.12	14.70
Disposals	3.46	-	-	3.63	7.09
Balance as at 31st March, 2017	**3,273.29**	**15.28**	**11.68**	**13.08**	**3,313.33**
Accumulated depreciation					
Balance as at 1st April, 2015	57.47	9.28	7.28	10.35	84.38
Elimination on disposals of assets	26.76	-	0.03	2.42	29.21
Depreciation expense	206.49	4.47	0.32	6.63	217.91
Balance as at 31st March, 2016	**237.20**	**13.75**	**7.57**	**14.56**	**273.08**
Elimination on disposals of assets	2.55	-	-	3.15	5.70
Depreciation expense	205.28	- 0.33	0.86	206.47	
Balance as at 31st March, 2017	**439.93**	**13.75**	**7.90**	**12.27**	**473.85**
Carrying amount					
Balance as at 1st April, 2015	918.29	6.00	2.46	6.48	933.23
Additions	2,315.33	-	1.99	2.37	2,319.69
Disposals	2.16	-	0.02	0.19	2.37
Depreciation expense	206.49	4.47	0.32	6.63	217.91
Balance as at 31st March, 2016	**3,024.97**	**1.53**	**4.11**	**2.03**	**3,032.64**
Additions	14.58	-	-	0.12	14.70
Disposals	0.91	-	-	0.48	1.39
Depreciation expense	205.28	-	0.33	0.86	206.47
Balance as at 31st March, 2017	**2,833.36**	**1.53**	**3.78**	**0.81**	**2,839.48**

Note:
Plant and equipment with a carrying amount of Rs. 2,817.16 lacs (as at 31st March, 2016 - Rs. 3,012.97 lacs and as at 1st April, 2015 - Rs. 896.07 lacs) have been pledged to secure borrowings of the Company (see note 13).

5. Intangible assets and intangible assets under development

(₹ in Lacs)

Carrying amounts of :	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Computer software	307.41	413.59	50.49
Intangible assets under development	-	-	254.72
	307.41	**413.59**	**305.21**

	Computer software	Total
	(₹)	(₹)
Cost		
Balance as at 1st April, 2015	302.32	302.32
Additions	433.18	433.18
Disposals or classified as held for sale	-	-
Balance as at 31st March, 2016	**735.50**	**735.50**
Additions	-	-
Disposals or classified as held for sale	-	-
Balance as at 31st March, 2017	**735.50**	**735.50**
Accumulated amortisation		
Balance as at 1st April, 2015	251.83	251.83
Amortisation expense	70.08	70.08
Balance as at 31st March, 2016	**321.91**	**321.91**
Amortisation expense	106.18	106.18
Balance as at 31st March, 2017	**428.09**	**428.09**
Carrying amount		
Balance as at 1st April, 2015	50.49	50.49
Additions	433.18	433.18
Amortisation expense	70.08	70.08
Balance as at 31st March, 2016	**413.59**	**413.59**
Amortisation expense	106.18	106.18
Balance as at 31st March, 2017	**307.41**	**307.41**

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

6. Investments (Non-current)

	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Qty.	Amount	Qty.	Amount	Qty.	Amount
	Nos.	(₹ in Lacs)	Nos.	(₹ in Lacs)	Nos.	(₹ in Lacs)
Unquoted investments (all fully paid)						
(a) Investments in equity instruments at FVTPL						
- Power Exchange India Limited (see note (i) below)	2,500,000	-	2,500,000	-	2,500,000	-
(b) Investments in preference instruments at FVTPL						
- Tata Ceramic Limited (see note (ii) below)	300,000	387.00	300,000	365.25	300,000	343.50
Total Aggregate Unquoted Non-Current Investments		**387.00**		**365.25**		**343.50**
Aggregate carrying value of unquoted investments		387.00		365.25		343.50
(i) 2,500,000 equity shares of Rs. 10 each fully paid up in Power Exchange India Limited (ii) 300,000 7.25% of redeemable cumulative preference shares of Rs. 100 each fully paid up in Tata Ceramics Limited						

7. Trade receivables

(₹ in Lacs)

Current	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 1-Apr-15**
(a) Secured, considered good	467.32	5,131.52	729.78
(b) Unsecured, considered good	48,235.81	61,973.09	52,071.50
(c) Doubtful	686.02	771.78	306.39
Less: Provision for doubtful trade receivables	686.02	771.78	306.39
	48,703.13	**67,104.61**	**52,801.28**

The credit period on sale of power is upto 60 days. Thereafter, interest is charged at 15% to 18% per annum on the outstanding balance. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	**Expected credit loss (%)**
Within the credit period	0.16% - 0.59%
1-30 days past due	0.03% - 1.19%
31-60 days past due	0.03% - 1.19%
61-90 days past due	0.03% - 1.19%
More than 90 days past due	3.01% - 11.57%

Age of receivables	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 1-Apr-15**
Within the credit period	21,034.60	38,925.48	34,120.29
1-30 days past due	2,946.78	9,858.41	18,753.31
31-60 days past due	4,321.67	9,337.37	-
61-90 days past due	2,500.52	3,250.29	-
More than 90 days past due	18,585.58	6,504.84	234.07
Total	**49,389.15**	**67,876.39**	**53,107.67**

Movement in the expected credit loss allowance	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 1-Apr-15**
Balance at the begining of the year	771.78	306.39	330.41
Movement in expected credit loss allowance on trade receivables	(85.76)	465.39	(24.02)
Balance at the end of the year	**686.02**	**771.78**	**306.39**

8. Other financial assets

(₹ in Lacs)

Current	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Security deposits	1,031.45	347.26	212.62
Less: Provision for doubtful security deposits	5.00	5.00	5.00
	1,026.45	**342.26**	**207.62**
Unbilled revenue	11,344.15	17,749.65	12,283.18
Receivable on sale of property plant and equipment	0.53	0.23	-
Other receivables	588.12	70.66	158.29
Less: Provision for doubtful other receivables	100.93	48.42	92.26
	487.19	**22.24**	**66.03**
Total	**12,858.32**	**18,114.38**	**12,556.83**

9. Cash and cash equivalents

(₹ in Lacs)

Current	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Balances with banks	810.56	27.35	342.92
Cash and cash equivalents as per balance sheet	**810.56**	**27.35**	**342.92**
Bank overdraft (refer note 17)	(43.72)	(9,807.83)	-
Cash and cash equivalents as per cash flow statement	**766.84**	**(9,780.48)**	**342.92**

9.1 The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016.

Current	SBN's* (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8 November, 2016			
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December, 2016	-	-	-

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

10. Other assets

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non-current			
Capital advances	221.75	221.74	-
Prepayment for leasehold land	8.80	9.20	-
	230.55	**230.94**	**-**
Current			
Prepaid expenses	145.75	23.46	165.70
Prepayment for leasehold land	0.40	0.40	-
Service tax input credit receivable	3.24	-	-
	149.39	**23.86**	**165.70**

11. Equity share capital

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Equity share capital	1,600.00	1,600.00	1,600.00
	1,600.00	**1,600.00**	**1,600.00**
Authorised share capital			
20,000,000 equity shares of Rs. 10 each	2,000.00	2,000.00	2,000.00
18,000,000 preference shares of Rs. 10 each	1,800.00	1,800.00	1,800.00
Issued and subscribed capital comprises:			
16,000,000 fully paid equity shares of Rs. 10 each. (As at 31st March, 2016: 16,000,000; as at 1 April, 2015: 16,000,000)	1,600.00	1,600.00	1,600.00
	1,600.00	**1,600.00**	**1,600.00**

11.1 Fully paid equity shares

	Number of shares	Share capital
Balance as at 1st April, 2015	16,000,000	1,600.00
Movements during the period	-	-
Balance as at 31st March, 2016	**16,000,000**	**1,600.00**
Movements during the period	-	-
Balance as at 31st March, 2017	**16,000,000**	**1,600.00**

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

11.2 Details of shares held by the holding company

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
	Nos.	Nos.	Nos.
Fully paid equity shares			
The Tata Power Company Limited, holding company	**16,000,000**	**16,000,000**	**16,000,000**

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

	As at 31-Mar-17		As at 31-Mar-16	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
The Tata Power Company Limited, holding company	16,000,000	100%	16,000,000	100%

	As at 1-Apr-15	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
The Tata Power Company Limited, holding company	16,000,000	100%

12. Other equity

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deemed capital contribution from holding company	8.30	-	-
General reserve	**1,355.00**	**1,355.00**	**1,355.00**
Securities premium reserve	2,089.50	2,089.50	2,089.50
Retained earnings	10,739.86	10,804.14	9,923.89
	14,192.66	**14,248.64**	**13,368.39**

12.1 General reserve

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	1,355.00	1,355.00
Balance at the end of the year	**1,355.00**	**1,355.00**

12.2 Securities premium reserve

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	2,089.50	2,089.50
Balance at the end of the year	**2,089.50**	**2,089.50**

12.3 Retained earnings (see note below)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	10,804.14	9,923.89
Profit for the year	518.33	1,851.76
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(4.89)	(8.65)
Less: Payment of dividends on equity shares [Rs. 3 per share (previous year: Rs. 5 per share)]	480.00	800.00
Less: Tax on dividend	97.72	162.86
Balance at the end of the year	**10,739.86**	**10,804.14**

Note:

1. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.
2. In respect of the year ended 31st March, 2017, the directors in their meeting dated 5th May, 2017 have proposed a final dividend of Rs. 2.50 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting.

13. Non-current borrowings

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Secured - at amortised cost			
(i) Term loans from Kotak Mahindra Bank (Refer note 13.1 below)	3,403.98	2,152.34	630.00
Total non-current borrowings	**3,403.98**	**2,152.34**	**630.00**

13.1 Summary of borrowing arrangements

(i) The terms of repayment of outstanding balance of term loans are stated below:

As at 31st March, 2017

Particulars	Amount outstanding	Repayment terms for outstanding balance	Rate of interest
Kotak Mahindra Bank	560.00	32 equal quarterly installments from 30th June, 2017 to 31st March, 2025	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
Kotak Mahindra Bank	1,592.34	41 quarterly installments from 30th June, 2017 to 30th June, 2027	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
Kotak Mahindra Bank	1,500.00	44 quarterly installments from 16th July, 2017 to 16th April, 2028	6 months MCLR + 10 basis points i.e. 8.60% as at 31st March, 2017
	3,652.34		
As at 31st March, 2016			
Kotak Mahindra Bank	630.00	36 equal quarterly installments from 30th June, 2016 to 31st March, 2025	Base rate + 70 basis points i.e. 10.20% as at 31st March, 2016
Kotak Mahindra Bank	1,658.00	44 quarterly installments from 30th September, 2016 to 30th June, 2027	Base rate + 55 basis points i.e. 10.05% as at 31st March, 2016
	2,288.00		
As at 1st April, 2015			
Kotak Mahindra Bank	630.00	36 equal quarterly installments from 30th June, 2016 to 31st March, 2025	Base rate + 70 basis points i.e. 10.70% as at 1st April, 2015
	630.00		

(ii) **Security terms**

Exclusive charge over the moveable fixed assets of the project (i.e. Wind and Solar Projects) and exclusive charge on project receivables.

(iii) Balance outstanding as at 31st March, 2017 is Rs. 3,652.34 lacs (31st March, 2016 - Rs. 2,288.00 lacs; 1st April, 2015 - Rs. 630.00 lacs) of which Rs. 248.36 lacs (31st March, 2016 - Rs. 135.66 lacs; 1st April, 2015 - Rs. Nil) pertains to current maturities of long term borrowings (see note 14).

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

14. Other financial liabilities

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Current			
(a) Current maturities of long term debt (Refer note 13.1 above)	248.36	135.66	-
(b) Interest accrued	27.36	28.82	-
(c) Payable on account of property, plant and equipment and capital work-in-progress”	653.44	677.72	1,703.09
(d) Security deposits from vendors	54.82	50.20	50.57
(e) Security deposits from customers	680.31	817.30	1,426.74
(f) Others	3.59	8.17	10.72
	1,667.88	**1,717.87**	**3,191.12**

15. Provisions

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non-current			
Provision for employee benefits			
Provision for gratuity	115.68	90.55	-
Provision for compensated absences	100.28	104.86	-
Provision for other employees benefits	9.25	6.02	-
Total	**225.21**	**201.43**	**-**
Current			
Provision for employee benefits			
Provision for gratuity	3.57	0.15	-
Provision for compensated absences	4.99	2.52	-
Total	**8.56**	**2.67**	**-**

16. Deferred tax (liabilities) / assets

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deferred tax assets	317.80	318.20	137.20
Deferred tax liabilities	(1,051.82)	(1,086.81)	(131.94)
MAT credit entitlement	222.58	447.52	-
	(511.44)	**(321.09)**	**5.26**
FY 2016-17	**Opening balance**	**Recognised in profit or loss**	**Closing balance**
MAT credit entitlement	447.52	(224.94)	222.58
Deferred tax (liabilities) / assets in relation to			
Property, plant and equipment	(1,082.35)	30.53	(1,051.82)
Provision for doubtful debts and other financial assets	285.59	(11.51)	274.08
Provision for employee benefits	28.15	15.57	43.72
	(768.61)	**34.59**	**(734.02)**
FY 2015-16	**Opening balance**	**Recognised in profit or loss**	**Closing balance**
MAT credit entitlement	-	447.52	447.52
Deferred tax (liabilities) / assets in relation to			
Property, plant and equipment	(131.94)	(950.41)	(1,082.35)
Provision for doubtful debts and other financial assets	137.20	148.39	285.59
Provision for employee benefits	**-**	**28.15**	**28.15**
	5.26	**(773.87)**	**(768.61)**

17. Current borrowings

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Unsecured - at amortised cost			
a) Commercial paper [Maximum amount outstanding during the year is Rs. 14,862.15 lacs (31st March, 2016: Rs. 13,730.09 lacs and 1st April, 2015: Nil)]	-	6,912.78	-
Secured - at amortised cost			
a) Loans repayable on demand from banks (Bank overdraft) (Refer note 1 below)	43.72	9,807.83	-
b) Loans from banks (Refer note 1 and 2 below)	14,189.65	6,838.19	24,559.22
	14,233.37	**23,558.80**	**24,559.22**

Note:

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.
2. The weighted average effective interest rate on the bank loans is 8.52% per annum (as at 31st March, 2016: 9.58% per annum and as at 1st April, 2015: 10.16% per annum)

18. Trade payables

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Trade payables (see note below)			
– total outstanding dues of micro enterprises and small enterprises	-	-	-
– total outstanding dues of creditors other than micro enterprises and small enterprises	32,599.43	47,140.29	26,893.01
	32,599.43	**47,140.29**	**26,893.01**

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 and Medium Enterprises Development (MSMED) Act, 2006 is Rs. Nil (31st March, 2016: Rs. Nil, 1st April, 2015: Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.

19. Tax assets and liabilities

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non current tax assets (net)			
Tax refund receivable	92.20	91.46	67.87
	92.20	**91.46**	**67.87**
Current tax liabilities (net)			
Income-tax payable	-	70.49	162.96
	-	**70.49**	**162.96**

20. Other current liabilities

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Advance from customers	436.47	440.57	485.51
Statutory liabilities (Contributions to PF, Withholding taxes, VAT, Service tax etc.)	90.43	261.55	191.54
	526.90	**702.12**	**677.05**

21. Revenue from operations

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
(a) Revenue from power supply	464,150.05	597,808.34
Less: Cash discount allowed	3,979.06	3,801.97
	460,170.99	**594,006.37**
(b) Other operating revenue		
(i) Revenue from power banking sale (net of service tax paid)	-	0.23
(ii) Income from advisory services	80.29	86.57
(iii) Income from other services	112.90	189.81
(iv) Liabilities no longer required written back	1.98	-
(v) Provision for doubtful trade receivables and other financial assets written back	33.25	-
(vi) Compensation income (net)	62.82	0.01
(vii) Delayed payment charges recovered	109.10	-
	400.34	**276.62**
	460,571.33	**594,282.99**

22. Other income

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
(a) Interest income on fixed deposits	17.40	-
(b) Dividend income from current investments-mutual funds	-	9.96
(c) Gain on sale of current investments	108.13	7.36
(d) Gain on disposal of property plant and equipment	0.01	-
(e) Gain arising on financial assets designated as at FVTPL	21.75	21.75
Total	**147.29**	**39.07**

23. Employee benefits expense

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Salaries and wages	736.13	468.31
Contribution to provident and other funds	25.31	12.72
Retiring gratuities	24.12	19.45
Pension contribution	5.50	3.06
Staff welfare expenses	128.46	14.44
Total	**919.52**	**517.98**

24. Finance costs

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
(a) Interest costs:		
Interest on current borrowings	1,432.48	1,724.16
Interest on non-current borrowings	258.32	191.20
Interest on delayed payment of statutory dues	3.93	0.92
(b) Other borrowing cost:		
Delayed payment charges	0.59	3.10
Bank charges	108.24	133.87
	1,803.56	**2,053.25**

25. Depreciation and amortisation expense

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Depreciation on property, plant and equipment	206.47	217.91
Amortisation of intangible assets	106.18	70.08
Total depreciation and amortisation expense	**312.65**	**287.99**

26. Other expenses

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Rent expense	123.47	271.51
Repairs and maintenance-others	144.90	123.43
Travelling and conveyance	72.88	66.75
Licence and other fees	139.46	85.79
Loss on disposal of property, plant and equipment	-	0.81
Cost of outsourced services	253.99	632.05
Brand equity fees	58.47	172.45
Provision for doubtful trade receivables and other financial assets	-	421.55
Legal and professional charges	310.54	222.91
Payment to Statutory Auditors (see note below)	31.43	29.03
Director fees	20.92	16.86
Expenditure on corporate social responsibility	78.37	90.95
Amortisation of prepayment for leasehold land	0.40	0.40
Miscellaneous expenses	47.84	45.05
Total	**1,282.67**	**2,179.54**
Note:		
Payment to Statutory Auditors comprise (inclusive of service tax)		
- For Audit	19.55	19.47
- For Taxation matters	2.04	2.00
- For Other services	7.64	6.87
- For Reimbursement of expenses	2.20	0.69
Total	**31.43**	**29.03**
The remuneration disclosed above excludes fees of Rs. 10.35 lacs (previous year Rs 7.30 lacs) (including service tax) for other professional services rendered by a firm of accountants in which some partners of the firm of Statutory Auditors are partners.		

27. Income taxes relating to continuing operations

27.1 Income taxes recognised in profit and loss

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Current tax		
In respect of the current year	413.70	711.63
In respect of the previous years	16.05	(30.69)
MAT credit	-	(447.52)
	429.75	**233.42**
Deferred tax		
In respect of the current year	(31.99)	778.14
	(31.99)	**778.14**
Total income tax expense recognised in the current year	**397.76**	**1,011.56**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Year ended 31-Mar-17	**Year ended 31-Mar-16**
Profit before tax	**916.09**	**2,863.32**
Income tax expense calculated at 34.608% (2015-16: 34.608%)	317.04	990.94
Effect of income that is exempt from taxation	(7.53)	(10.96)
Effect of expenses that are not deductible in determining taxable profit	40.87	31.48
Effect on deferred tax balances due to the changes in income tax rate from 33.99% to 34.608%	-	0.10
Effect related to adjustment for previous years	47.38	-
Income tax expense recognised in Statement of Profit or Loss	**397.76**	**1,011.56**
The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian income tax law.		

27.2 Income tax recognised in other comprehensive income

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurements of defined benefit obligation	2.59	4.27
Total income tax recongnised in other comprehensive income	2.59	4.27
Bifurcation of the income tax recognised in other comprehensive income into:		
- Item that will not be reclassified to profit or loss	2.59	4.27
- Item that may be reclassified to profit or loss	-	-

28. Earnings per share

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
28.1 Basic / Diluted earnings per share [face value of share Rs. 10 each]	3.24	11.57
28.2 Basic/ Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic/ diluted earnings per share are as follows:		
	Year ended 31-Mar-17	**Year ended 31-Mar-16**
Earnings used in the calculation of basic/ diluted earnings per share (Rs. in Lacs)	**518.33**	**1,851.76**
	Year ended 31-Mar-17	**Year ended 31-Mar-16**
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.	16,000,000	16,000,000
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.		

29. Segment information

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

30. Related party disclosures

(a) Name of related parties and description of relationship:
Controlling entity (CE):
The Tata Power Company Limited (TPCL) (Holding Company)
Fellow subsidiaries (where transactions have taken place during the year):
(i) Tata Power Delhi Distribution Limited (TPDDL)
(ii) Maithon Power Limited (MPL)
(iii) Tata Power Solar Systems Limited (TPSS)
(iv) Tata Power Renewal Energy Limited (TPREL)
(v) Industrial Energy Limited (IEL)
(vi) Costal Gujrat Power Limited (CGPL)
Key Management Personnel (KMP)
(i) Sanjeev Mehra, Managing Director (on payroll of the company w.e.f 1st September, 2015)

(b) Transaction / balances outstanding with related parties

(₹ in Lacs)

	CE	Fellow subsidiaries							KMP	Total
Particulars	**TPCL**	**TPDDL**	**MPL**	**TPSS**	**TPREL**	**CGPL**	**IEL**	**Sub-total**		
(i) Details of transactions during the year ended 31st March, 2017										
Revenue from power supply	556.30	88,088.96	-	182.62	-	-	-	88,271.58	-	88,827.88
	1,035.10	*93,176.52*	-	-	-	-	-	*93,176.52*	-	*94,211.62*
Cash discount allowed	11.13	1,481.81	-	-	-	-	-	1,481.81	-	1,492.94
	20.70	*1,729.45*	-	-	-	-	-	*1,729.45*	-	*1,750.15*
Income from other services	14.02	-	-	-	-	-	-	-	-	14.02
	26.40	-	-	-	-	-	-	-	-	*26.40*
Compensation earned	-	-	-	-	-	-	-	-	-	-
	12.00	-	-	-	-	-	-	-	-	*12.00*
Cost of power purchased	15,025.38	-	147,067.11	-	-	-	-	147,067.11	-	162,092.49
	18,747.00	-	*166,137.18*	-	-	-	-	*166,137.18*	-	*184,884.18*
Cash discount earned	211.82	-	3,287.62	-	-	-	-	3,287.62	-	3,499.44
	333.10	-	*3,535.63*	-	-	-	-	*3,535.63*	-	*3,868.73*
Receiving of services	375.52	-	-	-	-	-	-	-	-	375.52
	821.44	-	-	-	-	-	-	-	-	*821.44*
Reimbursement of expenses	-	-	-		-	0.88	-	0.88	-	0.88
	-	-	-		-	-	-	-	-	-
Purchase of property, plant and equipment	-	-	0.16	218.57	-	-	-	218.73	-	218.73
	-	-	-	*767.57*	*40.41*	-	-	*807.98*	-	*807.98*
Sale of property, plant and equipment	0.23	-	-	-	0.30	-	-	0.30	-	0.53
	-	-	-	-	*0.20*	-	*0.03*	*0.23*	-	*0.23*
Capital advance given	-	-	-	-	-	-	-	-	-	-
	-	-	-	*221.75*	-	-	-	*221.75*	-	*221.75*
Dividend paid	480.00	-	-	-	-	-	-	-	-	480.00
	800.00	-	-	-	-	-	-	-	-	*800.00*
Managerial remuneration (see note 3 below)	-	-	-	-	-	-	-	-	134.55	134.55
	-	-	-	-	-	-	-	-	*50.43*	*50.43*

Notes:

1. The Tata Power Company Limited (TPCL) has given an undertaking to MPL (fellow subsidiary) to fulfill payment obligations of the company in case of default in payment for power sold on behalf of MPL.
2. Figures in italics stated in serial no. (b) pertain to year ended 31st March, 2016.
3. Managerial remuneration for KMP excludes provision for leave encashment and gratuity, as separate figures for KMP is not available.

(b) Transaction / balances outstanding with related parties

(₹ in Lacs)

	CE	Fellow subsidiaries							KMP	Total
Particulars	TPCL	TPDDL	MPL	TPSS	TPREL	CGPL	IEL	Sub-total		
(ii) Balance outstanding										
Trade receivables										
As at 31.03.2017	26.47	7,841.17	-	-	-	-	-	7,841.17	-	7,867.64
As at 31.03.2016	-	7,020.18	-	-	-	-	-	7,020.18	-	7,020.18
As at 01.04.2015	-	26,306.73	-	-	-	-	-	26,306.73	-	26,306.73
Unbilled revenue										
As at 31.03.2017	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016	-	195.81	-	-	-	-	-	195.81	-	195.81
As at 01.04.2015	-	489.53	-	-	-	-	-	489.53	-	489.53
Receivable on sale of property, plant and equipment (PPE)										
As at 31.03.2017	0.23	-	-	-	0.30	-	-	0.30	-	0.53
As at 31.03.2016	-	-	-	-	0.20	-	0.03	0.23	-	0.23
As at 01.04.2015	-	-	-	-	-	-	-	-	-	-
Capital advances										
As at 31.03.2017	-	-	-	221.75	-	-	-	221.75	-	221.75
As at 31.03.2016	-	-	-	221.74	-	-	-	221.74	-	221.74
As at 01.04.2015	-	-	-	-	-	-	-	-	-	-
Payable on purchase of property, plant and equipment (PPE)										
As at 31.03.2017	-	-	0.11	524.37	-	-	-	524.48	-	524.48
As at 31.03.2016	-	-	-	473.52	-	-	-	473.52	-	473.52
As at 01.04.2015	-	-	-	1,418.01	-	-	-	1,418.01	-	1,418.01
Trade payables										
As at 31.03.2017	1,394.00	-	5,303.19	-	-	-	-	5,303.19	-	6,697.19
As at 31.03.2016	2,088.79	-	17,510.31	-	-	-	-	17,510.31	-	19,599.10
As at 01.04.2015	1,406.97	-	19,531.07	-	-	-	-	19,531.07	-	20,938.04

Note:

The Tata Power Company Limited (TPCL) has given an undertaking to MPL (fellow subsidiary) to fulfill payment obligations of the Company in case of default in payment for power sold on behalf of MPL.

31. Financial Instruments

31.1 Capital Management

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

The Capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 14 and 17 offset by cash and cash equivalents) and total equity of the Company.

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

Gearing ratio

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

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Debt (i)	17,885.71	25,846.80	25,189.22
Cash and cash equivalents	810.56	27.35	342.92
Net debt	**17,075.15**	**25,819.45**	**24,846.30**
Total equity	**15,792.66**	**15,848.64**	**14,968.39**
Net debt to equity ratio (%)	108.12%	162.91%	165.99%

(i) Debt is defined as long-term and short-term borrowings, as described in notes 13, 14 and 17.

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
31.2 Categories of financial instruments			
Measured at fair value through profit or loss (FVTPL)			
(a) Designated as at FVTPL- Investment in unquoted equity and preference instruments	387.00	365.25	343.50
Measured at amortised cost			
(a) Trade receivables	48,703.13	67,104.61	52,801.28
(b) Cash and cash equivalents	810.56	27.35	342.92
(c) Other financial assets	12,858.32	18,114.38	12,556.83
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	17,637.35	25,711.14	25,189.22
(b) Trade payables	32,599.43	47,140.29	26,893.01
(c) Other financial liabilities	1,667.88	1,717.87	3,191.12

31.3 Financial risk management

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

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

31.4 Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in interest rate (see note 31.5) and price risk (see note 31.6)

31.5 Interest rate risk management

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

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

Interest Rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31st March, 2017 would decrease/increase by Rs. 18.26 lacs (for the year ended March 2016: decrease/ increase by Rs. 11.44 lacs). This is mainly attributable to the Company's exposure to the interest rates on its variable rate borrowings.

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

31.6 Price risk

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

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

(₹ in Lacs)

Particulars	**As at 31.03.2017**	**As at 31.03.2016**	**As at 01.04.2015**
Investments in equity instruments	-	-	-
Investments in preference instruments	387.00	365.25	343.50

For the year ended 31st March, 2017 and 31st March, 2016, every 0.50 percentage increase / decrease in the value of investments, will affect the Company's profit before tax by Rs. 1.94 lacs and Rs. 1.83 lacs, respectively.

31.7 Credit risk management

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

Trade receivables consist of primarily receivables from sale of power to customers. Ongoing credit evaluation is performed based on the financial condition of account receivables and the collaterals are held as security.

Collateral held as security

The Company holds collateral i.e. letter of credit and bank guarantee to partly secure its outstanding trade receivables and to mitigate credit risk as appropriate.

31.8 Liquidity risk management

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

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. Note 31.8.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

31.8.1 Expected maturity for financial liabilities

(₹ in Lacs)

	0-1 year	1-5 years	5+ years	Total
31st March, 2017				
Non-derivative financial liabilities				
Borrowings*	14,518.27	2,538.13	2,429.27	19,485.67
Trade payables	32,599.43	-	-	32,599.43
Other financial liabilities*	1,688.67	-	-	1,688.67
31st March, 2016				
Non-derivative financial liabilities				
Borrowings*	23,772.16	917.00	2,373.12	27,062.28
Trade payables	47,140.29	-	-	47,140.29
Other financial liabilities*	1,731.32	-	-	1,731.32
1st April, 2015				
Non-derivative financial liabilities				
Borrowings*	24,626.63	283.47	658.31	25,568.41
Trade payables	26,893.01	-	-	26,893.01
Other financial liabilities*	3,191.12	-	-	3,191.12
*including undiscounted interest				

(₹ in Lacs)

31.8.2 Financing facilities		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Secured long term loan facility:		3,788.00	2,288.00	630.00
- amount used		342.00	1,842.00	1,700.00
- amount unused		**4,130.00**	**4,130.00**	**2,330.00**
Secured short term loan facilities:				
- amount used		14,233.37	16,646.02	24,559.22
- amount unused		18,766.63	13,853.98	5,940.78
		33,000.00	**30,500.00**	**30,500.00**

31.9 Fair value measurements

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

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

Particulars	Fair value as at			Fair value hierarchy	Valuation approach
	31-Mar-17	31-Mar-16	31-Mar-15		
Investment in equity shares of Power Exchange India Limited	-	-	-	Level 3	Net asset value approach
Investment in preference shares of Tata Ceramics Limited	387.00	365.25	343.50	Level 3	Discounted cash-flow approach

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

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

32. Employee benefit plan

32.1 Defined contribution plan

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

The total expense recognised in the Statement of Profit and Loss is Rs. 25.31 Lacs (for the year ended 31st March, 2016 Rs. 12.72 Lacs) and represents contribution payable to the Employee Provident Fund. As at 31st March, 2017, contribution of Rs. 2.50 Lacs (as at 31 March, 2016 Rs. 2.30 Lacs) due in respect of FY 2016-17 (FY 2015-16) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

32.2 Defined benefit plan

a. Gratuity plan

The Company offers the employee benefit schemes of gratuity to its employees. Benefits payable to eligible employees of the Company with respect of these benefits are accounted for on the basis of an actuarial valuation as at the balance sheet 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.

The most recent actuarial valuation of the present value of defined benefit obligations was carried out at 31st March, 2017 by Mr. Khushwant Pahwa, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal actuarial assumptions:	**As at 31-Mar-17**	**As at 31-Mar-16**
Discount rate (p.a.)	7.40%	8.00%
Expected rate of salary increase (p.a.)	8.00%	8.00%

Note:

1. The gratuity plan is unfunded.
2. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
3. As at 1st April, 2015, there were no employees on the payroll of the Company hence there was no provision for gratuity as at 1st April, 2015.

Demographic assumptions:	**As at 31-Mar-17**	**As at 31-Mar-16**
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate (p.a.) (for all ages)	5%	5%

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

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Service Cost		
Current service cost	16.87	16.74
Net interest expense	7.25	2.71
Component of defined benefit costs recognised in profit or loss	**24.12**	**19.45**
Remeasurement on the net defined benefit liability :	-	-
Actuarial (Gains)/losses arising from changes in demographic assumptions	9.56	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(2.77)	12.92
Actuarial (Gains)/losses arising from experience adjustment	**6.79**	**12.92**
Components of defined benefit costs recognised in other comprehensive income		
Total	**30.91**	**32.37**

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:

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
Present value of funded defined benefit obligation	119.25	**90.70**
Fair value of plan assets	-	**-**
Funded status surplus/(deficit)	**119.25**	**90.70**

(₹ in Lacs)

	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening defined benefit obligations	90.70	-
Current service cost	16.87	16.74
Interest cost	7.25	2.71
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	9.56	-
Actuarial (Gains)/losses arising from experience adjustment	(2.77)	12.92
Benefits paid	(2.36)	-
Acquisition adjustment	-	58.33
Closing defined benefit obligation	**119.25**	**90.70**

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.

	As at 31st March, 2017		As at 31st March, 2016	
Particulars	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (Rs. in Lacs)	18.88	(15.31)	22.36	(17.35)
(% change compared to base due to sensitivity)	15.80%	(12.8%)	24.70%	(19.1%)
Salary Growth Rate (-/+1%) (Rs. in Lacs)	(15.36)	18.57	(17.86)	22.70
(% change compared to base due to sensitivity)	(12.9%)	15.60%	(19.7%)	25.00%
Mortality Rate (-/+ 10%) (Rs. in Lacs)	0.08	(0.09)	0.07	(0.06)
(% change compared to base due to sensitivity)	0.10%	(0.1%)	0.10%	(0.1%)

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

		(₹ in Lacs)
	31-Mar-17	31-Mar-17
Within 1 year	0.36	0.15
Between 1-5 years	25.97	10.43
Beyond 5 years	364.14	11.49
	31-Mar-17	31-Mar-17
The average duration of the defined benefit plan obligation represents average duration for active members (based on discounted cash flows)	13 years	23 years

b. Actuarial assumptions for compensated absences	**As at 31-Mar-17**	**As at 31-Mar-16**
Discount rate (p.a.)	7.40%	8.00%
Expected rate of salary increase (p.a.)	8.00%	8.00%

Note:

1. The compensated absences plan is unfunded.
2. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
3. As at 1st April, 2015, there were no employees on the payroll of the Company hence there was no provision for compensated absences as at 1st April, 2015.

33. Commitments

(₹ in Lacs)

		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	1,458.89
(b)	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.			

34. Contingent liabilities

(₹ in Lacs)

		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a)	Other money for which the Company is contingently liable -Power banking arrangement	-	-	17.97
		-	-	17.97
(b)	The Company does not have any pending litigations which would impact its financial position.			

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

36. Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the Company during the year ended 31st March, 2017: Rs. 78.33 Lacs (Previous year Rs. 91.00 lacs)

(b) Amount spent during the year ended 31st March, 2017: Rs. 78.37 Lacs

(₹ in Lacs)

	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	78.37	-	78.37
	(90.95)	(-)	(90.95)
iii) Details of related party transaction			
- Contribution during the year ended 31st March, 2017	-	-	-
	(-)	(-)	(-)
- Payable as at 31st March, 2017	-	-	-
	(-)	(-)	(-)

* Figure in brackets pertain to the previous year

37. First-time Ind AS adoption reconciliations

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

(₹ in Lacs)

		As at 31-Mar-16			As at 1-Apr-15		
	Notes	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
Non-current assets							
Property, plant and equipment		3,032.64	-	3,032.64	933.23	-	933.23
Capital work-in-progress		2,311.66	-	2,311.66	3,559.95	-	3,559.95
Intangible assets		413.59	-	413.59	50.49	-	50.49
Intangible assets under development		-	-	-	254.72	-	254.72
Financial assets							
(i) Investments	(a)	300.00	65.25	365.25	300.00	43.50	343.50
Non-current tax assets (net)		91.46	-	91.46	67.87	-	67.87
Deferred tax assets (net)	(b)	-		-	-	5.26	5.26
Other non-current assets		230.94	-	230.94	-	-	-
		6,380.29	**65.25**	**6,445.54**	**5,166.26**	**48.76**	**5,215.02**
Current assets							
Financial assets							
(i) Trade receivables	(b)	66,810.28	294.33	67,104.61	52,777.25	24.03	52,801.28
(ii) Cash and cash equivalents		27.35	-	27.35	342.92	-	342.92
(iii) Other financial assets	(b)	18,119.91	(5.53)	18,114.38	12,612.20	(55.37)	12,556.83
Other current assets		23.86	-	23.86	165.70	-	165.70
		84,981.40	**288.80**	**85,270.20**	**65,898.07**	**(31.34)**	**65,866.73**
Total assets		**91,361.69**	**354.05**	**91,715.74**	**71,064.33**	**17.42**	**71,081.75**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1,600.00	-	1,600.00	1,600.00	-	1,600.00
Other equity	(a), (b), (d)	13,416.82	831.82	14,248.64	12,382.72	985.67	13,368.39
		15,016.82	**831.82**	**15,848.64**	**13,982.72**	**985.67**	**14,968.39**
Non-current liabilities							
Financial liabilities							
(i) Borrowings		2,152.34	-	2,152.34	630.00	-	630.00
Provisions		201.43	-	201.43	-	-	-
Deferred tax liabilities (net)	(b)	221.14	99.95	321.09	5.39	(5.39)	-
		2,574.91	**99.95**	**2,674.86**	**635.39**	**(5.39)**	**630.00**
Current liabilities							
Financial liabilities							
(i) Borrowings		23,558.80	-	23,558.80	24,559.22	-	24,559.22
(ii) Trade payables		47,140.29	-	47,140.29	26,893.01	-	26,893.01
(iii) Other financial liabilities		1,717.87	-	1,717.87	3,191.12	-	3,191.12
Provisions	(d)	580.39	(577.72)	2.67	962.86	(962.86)	-
Current tax liabilities (net)		70.49	-	70.49	162.96	-	162.96
Other current liabilities		702.12	-	702.12	677.05	-	677.05
		73,769.96	**(577.72)**	**73,192.24**	**56,446.22**	**(962.86)**	**55,483.36**
Total liabilities		**76,344.87**	**(477.77)**	**75,867.10**	**57,081.61**	**(968.25)**	**56,113.36**
Total equity and liabilities		**91,361.69**	**354.05**	**91,715.74**	**71,064.33**	**17.42**	**71,081.75**

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

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

(₹ in Lacs)

	Notes	As at 31-Mar-16	As at 1-Apr-15
Total equity (shareholders funds) under previous GAAP		**15,016.82**	**13,982.72**
Fair valuation of investments under Ind AS	**(a)**	65.25	43.50
Impairment of financial assets under Ind AS	**(b)**	288.80	(31.34)
Recognition of deferred taxes on Ind AS adjustments	**(b)**	(99.95)	10.65
Dividends not recognised as a liability until declared under Ind AS	**(d)**	480.00	800.00
Tax on dividends not recognised as a liability until declared under Ind AS	**(d)**	97.72	162.86
Total adjustment to equity		**831.82**	**985.67**
Total equity under Ind AS		**15,848.64**	**14,968.39**

37.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

		Year ended 31-March-16		
	Notes	**Previous GAAP***	**Effect of transition to Ind AS**	**Ind AS**
Revenue from operations		594,282.99	-	594,282.99
Other income	(a)	17.32	21.75	39.07
Total income (A)		**594,300.31**	**21.75**	**594,322.06**
Cost of power purchased		586,419.98	-	586,419.98
Employee benefit expenses	(c)	530.90	(12.92)	517.98
Finance costs		2,053.25	-	2,053.25
Depreciation and amortisation expense		287.99	-	287.99
Other expenses	(b)	2,499.68	(320.14)	2,179.54
Total expenses (B)		**591,791.80**	**(333.06)**	**591,458.74**
Profit before tax (A-B)		**2,508.51**	**354.81**	**2,863.32**
Tax expense				
(1) Current tax (net)		233.42	-	233.42
(2) Deferred tax	(b), (c)	663.27	114.87	778.14
		896.69	**114.87**	**1,011.56**
Profit for the year		**1,611.82**	**239.94**	**1,851.76**
Other comprehensive income				
i. Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plan	(c)	-	(12.92)	(12.92)
ii. Deferred tax relating to items that will not be reclassified to profit or loss	(c)	-	4.27	4.27
Total other comprehensive income		**-**	**(8.65)**	**(8.65)**
Total comprehensive income for the year		**1,611.82**	**231.29**	**1,843.11**

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

37.4 Reconciliation of total comprehensive income for year ended 31st March, 2016

(₹ in Lacs)

	Notes	Year ended 31-Mar-16
Profit as per previous GAAP		1,611.82
Adjustments :		
Remeasurements of the defined benefit plan recognised in other comprehensive income	(c)	12.92
Fair valuation of investments under Ind AS	(a)	21.75
Impairment of financial assets under Ind AS	(b)	320.14
Recognition of deferred taxes on Ind AS adjustments	(b), (c)	(114.87)
Total effect of transition to Ind AS		**239.94**
Profit for the year as per Ind AS		**1,851.76**
Other comprehensive income for the year (net of tax)	(c)	(8.65)
Total comprehensive income under Ind AS		**1,843.11**

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

(₹ in Lacs)

	Notes	Year ended 31-March-16		
		Previous GAAP*	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
Net cash flows from operating activities				
Net cash flows from investing activities		4,492.47	-	4,492.47
Net cash flows from financing activities	(e)	**(2,478.33)**	**-**	**(2,478.33)**
Net decrease in cash and cash equivalents		(2,329.71)	(9,807.83)	(12,137.54)
		(315.57)	**(9,807.83)**	**(10,123.40)**
Cash and cash equivalents at the beginning of the period				
Cash and cash equivalents at the end of the period		342.92	-	342.92
		27.35	**(9,807.83)**	**(9,780.48)**

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

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

	Note	As at 31-Mar-16	As at 1-Apr-15
Cash and cash equivalents for the purposes of statement of cash flows as per previous GAAP		27.35	342.92
Bank overdrafts which form an integral part of cash management system	(e)	(9,807.83)	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**(9,780.48)**	**342.92**

Notes to the reconcilation between Previous GAAP and Ind AS

(a) Non-current investments

Under the previous GAAP, non-current investments were measured at cost less dimunition in value which is other than temporary. Under Ind AS, these financial assets have been meaured at FVTPL. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March 2016.

Accordingly, there is an increase in the carrying amount of long term investments and retained earnings (and total equity) by Rs. 43.50 lacs and Rs. 65.25 lacs as at 1st April, 2015 and 31st March, 2016 respectively."

(b) Provision for doubtful trade receivables and other financial assets

As per Ind AS 109, the Company needs to recognise impairment loss towards expected credit loss (ECL) on financial assets. The resulting differential ECL on financial assets, as compared to the provision made in the previous GAAP, has been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March 2016.

Accordingly, there is a decrease in the provision for doubtful trade receivables and other financial assets by Rs. 31.34 lacs (with corresponding impact on deferred tax balance by Rs. 10.65 lacs) as at 1st April, 2015 and increase by Rs. 288.80 lacs (with corresponding impact on deferred tax balance by Rs. 99.95 lacs) as at 31 March, 2016. The profit before tax for the year ended 31st March, 2016 was increased by Rs. 320.14 lacs and corresponding deferred tax expense has increased by Rs. 110.60 lacs.

(c) Re-measurement gains or losses

Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial losses for the year ended 31st March, 2016 were Rs. 12.92 lacs and the tax effect thereon was Rs. 4.27 lacs. This change does not affect total equity, but there is an increase in profit before tax of Rs. 8.65 lacs and decrease in other comprehensive income of Rs. 8.65 lacs for the year ended 31st March, 2016.

(d) Provisions

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, the liability for proposed dividend of Rs 800.00 lacs and Rs. 480.00 lacs (along with tax on proposed dividend of Rs. 162.86 lacs as at 1st April, 2015 and Rs. 97.72 lacs 31st March, 2016) as at 1st April, 2015 and 31st March, 2016 respectively, included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(e) Cash and cash equivalent

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Whereas under previous GAAP, there is no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flow from financing activities. The effect of this is that bank overdrafts of Rs. 9,807.83 as at 31 March, 2016 and Rs. Nil as at 1st April, 2015 have been considered as part of cash and cash equivalents under Ind AS for the purpose of presentation of Statement of Cash Flows. Consequently, the cash outflow from financing activities as per the Statement of Cash Flows for the year ended 31st March, 2016 prepared as per Ind AS is lower to the extent of this net movement of Rs. 9,807.83.

38. Approval of financial statements

The financial statements for the year ended 31st March, 2017 were approved by the Board of Directors and authorised for issue on 5th May, 2017.

For and on behalf of the Board of Directors

S. Ramakrishnan Chairman	**Sanjeev Mehra** Managing Director

Amey S Naik
Chief Financial Officer & Company Secretary

New Delhi
5th May, 2017

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TATA POWER TRADING COMPANY LIMITED

REGISTERED OFFICE : CARNAC RECEIVING STATION, 34, SANT TUKARAM ROAD, MUMBAI 400 009

CIN: U40100MH2003PLC143770

Name of the member(s)		E-mail Id :	
Registered address		Folio No/*Client Id :	
		*DP Id :	N/A

I/We, being the member(s) of _______________ shares of TATA POWER TRADING COMPANY LIMITED, hereby appoint:

1) ______________of________________ having e-mail id -----------------------------------or failing him

2) ______________of________________ having e-mail id -----------------------------------or failing him

3) ______________of________________ having e-mail id--

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held on Monday, the 28th of August, 2017 at 12:30 p.m. at the Conference Room of The Tata Power Company Limited, Bombay House, 24, HomiMody Street, Mumbai 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

SI Resolution No	Description of Resolutions	FOR	AGAINST
Ordinary Business			
1.	Consider and adopt Audited Financial Statements, Reports of Board of Directors and Auditors for the Financial Year ended on 31st March, 2017.		
2.	Declaration of dividend on Equity Shares for FY 2016-17.		
3.	Reappointment of Mr. Ashok Sethi, Director who retires by rotation & being eligible offer himself for reappointment		
4.	Reappointment of Ms. Anjali Kulkarni, Director who retires by rotation & being eligible offer himself for reappointment		
5.	Appointment of Statutory Auditors		
Special Business			
6.	Appointment of Mr. N N Misra as Independent Director		
7.	Re-appointment of Mr. Sanjeev Mehra as Managing Director		

Signed this..................... day of..................2017

Affix revenue stamp

(Signature of shareholder)

(Signature of first proxy holder)

(Signature of second proxy holder)

(Signature of third proxy holder)

Notes:

(1) **This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

(2) **A Proxy need not be a member of the Company.**

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Greenolution Drawing Competition for TPTCL Family Members

TPTCL Family Get-together

TATA POWER TRADING COMPANY LIMITED

Head Office:
Tata Power Trading Company Limited
B-12/13, 2nd Floor, Shatabdi Bhavan,
Sector-04, Noida,
Uttar Pradesh - 201301, India.
Email: tptclmarketing@tatapower.com
Website: www.tatapower.com

Registered Office:
Tata Power Trading Company Limited
Corporate Centre,'A' Block, 34,
Sant Tukaram Road, Carnac Bunder,
Mumbai 400 009