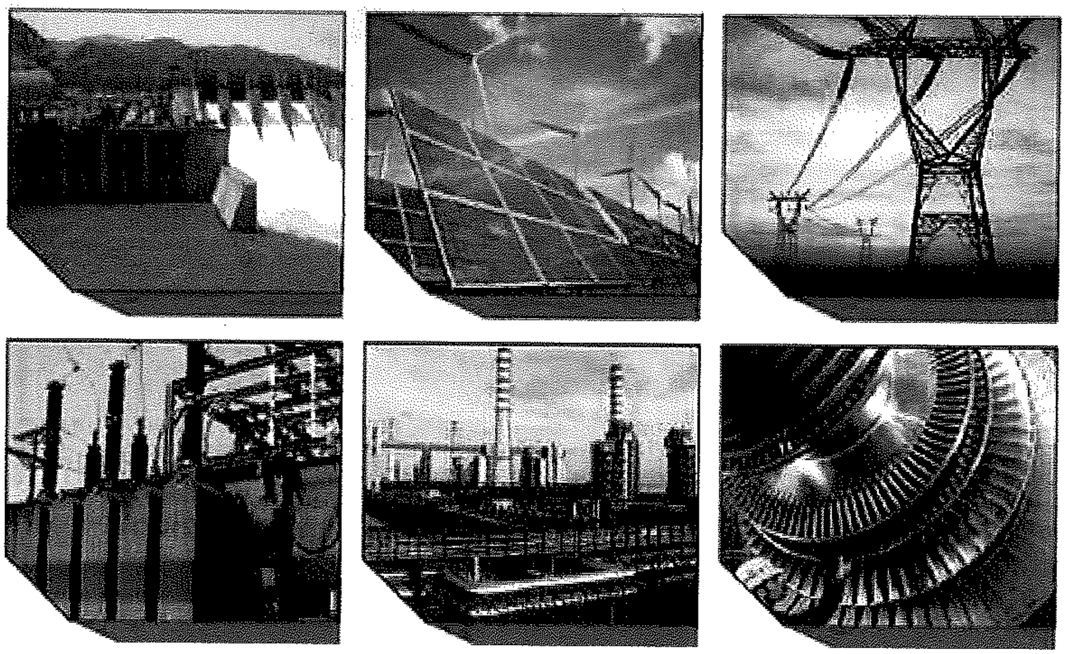
16th Annual Report

FY 18-19



TATA

TATA POWER TRADING COMPANY LIMITED

Shaping India's Vibrant Power Market

TATA

Contents

Board's Report

To The Members,

The Directors are pleased to present the Sixteenth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March, 2019.

1. Financial Results

Figures in ₹ Lakh

Particulars	FY 19	FY 18
a) Revenue from operations	26,223.82	23,799.38
b) Operating Expenditure	19,381.33	19,954.40
c) Operating Profit	**6,842.49**	**3,844.98**
d) Add: Other Income	231.18	51.96
e) Less: Finance Cost	887.55	1,013.05
f) Profit before depreciation and tax	**6,186.12**	**2,883.89**
g) Less: Depreciation/ Amortisation/Impairment	458.09	456.86
h) Profit Before Tax	**5,728.03**	**2,427.03**
i) Tax Expenses	2,038.27	927.86
j) Net Profit/ (Loss) after Tax	**3,689.76**	**1,499.17**

2. Dividend

During the year, the Directors have declared a dividend of 150% (₹15/- per equity share of ₹ 10 each, subjected to the approval of Members.

3. State of Company's Affairs

- Financial Performance

During the year, your Company reported a Profit after Tax (PAT) of ₹ 3689.76 lakh as against ₹ 1499.17 lakh for the previous year. The Operating Revenue was at ₹ 26223.82lakh as against ₹ 23799 lakh. The Earnings per share (EPS) has increased to ₹ 23.06 as against ₹ 9.37 in the previous year.

- Business Environment

India has an installed generation capacity of 349 Giga Watt (GW) as on 31st December, 2018. Generation capacity in the country has been steadily increasing, driven by fresh investments by private players. During 2018, 51% of the new capacity addition was in form of Solar Power Plants. 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 19th EPS. As per Central Electricity Authority's (CEA) Report, India's generating capacity comprises of 197 GW of coal based capacity, 25 GW of gas based capacity, 45 GW of hydro capacity, 74 GW of renewable capacity and about 7 GW of nuclear capacity. The total energy requirement for FY 18 was ~1213 BUs and for FY19, it is estimated to be ~1274 BUs.

In order to meet the increasing demand of power and as per Draft National Electricity Plan, the capacity addition of 176.3 GW is targeted in 13th plan (2017 – 22). Out of 176.3 GW of capacity addition target, 48.26 GW will be added from Thermal, 6.82 GW will be added from Hydro, 3.30 GW from Nuclear, 27.72 GW from Wind and 87.71 GW will be added from solar generation. The National Electricity Plan estimates that approx. 22 GW of thermal capacity will retire by 2022 on account of strict environmental norms, it also estimates that the electricity demand shall grow at 6% till 2022.

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

Power supply position in the country has improved during FY19. As per CEA, the gap between requirement and availability of energy in maintained at 0.56% during FY19. The gap between peak demand and supply improved to 0.5% during FY19 as compared to 2% recorded during FY18.

In line with the revised Guidelines issued by Ministry of Power (MoP), total ~150 tenders were floated by the Distribution Companies (Discoms) for short term power purchase through competitive bidding on "DEEP" Portal followed by Reverse auction, totalling more than 1,00,000 Mega Watt (MW) of power.

In addition, 2 Discoms had floated 4 tenders for purchase of power under Medium term Power Procurement guidelines through "DEEP" portal followed by Reverse Auction. However, no decision was taken in any of these medium term tenders. Medium term PPAs for 1900 MW coal-based power capacities with 7 companies and 5 Discom, at rate of Rs. 4.24/kWh under Aggregator Model were finalized during FY19.

The short term power prices of Day Ahead market have increased by 19% in FY19 as compared to FY18. The major reason for increase in the short term prices are increase in international coal price, below average monsoon, scarcity of Domestic coal available for power generation and other events/government decisions such as no load shedding, agriculture supply, elections etc.

As per CERC Marketing Monitoring report, the Electricity traded in the short term power market during FY19 till Dec'18 was 114 Billion Units (BUs), it is estimated that ~142 BUs will be traded under short term during FY19. This will be ~11.36% of total generation. The volume traded through Bilateral stood at 5.4%, 3.9% through power exchanges and 2% through Unscheduled Interchange (UI). The volume traded in short term power market, has increased by 12% in FY19 as compared to FY18.

The sector is currently facing several challenges such as

a. Lower trading Margins:

The competition has grown fierce due to an increase in the number of Central Electricity Regulatory Commission (CERC) licensed traders and with the pressure of increasing market share. Due to this, trading margins are under pressure. New trading licensees 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, some of the Discom's financial health have marginally improved. However, at present, procurement by Discoms on the Case I route is not progressing as envisaged, due to poor financial condition of Discoms. In addition, Discom had to procure power at a tariff higher than their APPC due to increase in the short term rates during second quarter of the financial year, which has further deteriorated the financial health of the Discom.

c. Transmission Constraints:

Power trading was affected to some extent by marginal corridor constraints for power flow from Eastern Region (ER) and Western Region (WR) to Northern Region (NR) & southern Region (SR) during peak hours, leading to prevalence of high prices for the customers in the Northern & Southern states.

d. 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. With increase in the imported fuel price, generators have also stopped Long term supply to Discom, committed through competitive bidding, resulting in increase in short term demand of the Discom. Since, October 2017, IPPs are facing shortage of Domestic coal supply (E-Auction) as a result of which the prices of Auction coal have also increased significantly less availability of coal supply.

e. 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. Further, due to increase in short term market rates, open access power purchase has become unviable in some of the states.

During FY19, a promising focus on policy and regulatory reforms, and greater expansion of renewable energy has been observed. CERC & MoP came up with several pro-market policy interventions which include notification of revised MOP guidelines on Cross-Border Trade in Electricity (CBTE), MoP's Notification on *"Flexibility in Generation and scheduling"* & initiation of pilot on *"Security Constrained Economic Dispatch"*, resolution of jurisdictional issues between SEBI and CERC for introduction of derivatives market.

The CERC has introduced fourth amendment for DSM regulation which has linked the Deviation Settlement Mechanism (DSM) with the Area Clearing Prices discovered on the Exchange platform. CERC has also introduced National Open Access Registry (NOAR) to streamline & facilitate the transactions in the short term power market. Several other initiatives have been proposed for discussion by CERC such as introduction of Real-time Market (RTM) with hourly auctions after closure of day-ahead market; introduction of market based ancillary and reserves market; Market Based Economic Dispatch (MBED) of all long-term, medium term and short-term contracts on a Day Ahead basis through power exchanges. The adequate transmission capacity, conducive policies for growth in demand for power, & other policy and regulatory initiatives by the regulator and ministry are expected to pave the way for increasing volume traded in power market.

- **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 10422 MUs in FY19 as compared to 12,405 MUs in the previous year. Your Company was ranked the fourth largest trader with a market share of 8.84% in FY19 amongst the top 11 traders. Further, in the area of Renewable Energy Certificates (RECs) trading and Energy Saving Certificates (ESCerts) 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 Noida, Mumbai and Chennai and along with resident representatives in Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Hyderabad and Kolkata. The trading operations are carried out from the Control Room at its Noida office and functions on 24x7 on 365 days basis.

During the year, the Company has conceptualized and implemented a wind group captive model for 21 MW Vagarai Windfarms Limited. The Company has also tied up with solar generators for supply of solar power to open access consumers in Karnataka. This has provided a long term stable revenue to the Company.

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, Tata Power Solar Systems Limited, Tata Realty Infrastructure 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 1,135 MUs to open access consumers during the year.

b. Generation Operation:

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

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 1.81 MUs (1.88 MUs in FY18) at a Plant Load Factor (PLF) of about 16.48%.

B. 4 MW Wind Project Rojmal District Gujarat

4 MW (2 x 2 MW) Wind Power Plant at Rojmal, District Botad, Gujarat was commissioned on 17th April, 2015. The power 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 6.51 MUs (7.25 MUs in FY18) at a PLF of about 18.59%.

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

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

During the year from the date of commissioning, the project generated 4.43 MUs at a PLF of about 16.20%.

c. Qualified Coordinating Agency (QCA)

During the year, 'Qualified Coordinating Agency' a new business arm which was formed 01-June-2017 with a purpose to provide services towards renewable energy forecasting, scheduling and commercial settlements across states. It's main objective is to support grid stability through forecasting and scheduling of infirm renewable energy and handling commercial settlements for energy deviations between generators and state load dispatch centers.

Within a short span of time, your company has achieved capacity tie up of 2612 MW in Karnataka, Andhra Pradesh and Rajasthan. Presently, it has a share of 12.9% of addressable market size.

- **Upgrading IT Infrastructure**

Your Company implemented various IT initiatives in FY19 to strengthen business processes resulting value addition to the business. A major upgrade being alignment of existing process and output in line with Goods and Services Tax (GST).

Further, Application Development for Qualified Co-ordinating Agency (QCA) business has been initiated to improve the efficiency and response time to the customers and Application Development for Exchange Trading Business is also being developed to accommodate latest developments in government policy and making it more robust while increasing the scope to include REC and CRM.

Upgrade and increase DR at Mumbai and Noida Guest House.

- **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.

- **Customer Satisfaction Survey**

Your Company conducts the Consumer Satisfaction Survey (C-Sat Survey) every year and adopted CAWI (Computer Aided Web Interview) methodology for obtaining customer response utilizing free service from Qualtrics.com for survey.

The survey measured responses across four major dimensions which are Overall Experience, Recommendation, Continuity of business, & Competitive Advantage. The customers have rated high for trustworthiness, work ethics, staff accessibility and complaint resolution. The C-Sat Survey Score for FY19 was at 91% as compared to 83% in FY18.

RESERVE

The net movement in the various reserves of the Company for FY18 and the previous year are as follows:

₹ crore

Particulars	FY19	FY18
Revaluation Reserve	Nil	Nil
Securities Premium Account	20.90	20.90
General Reserve	13.55	13.55
Retained Earnings	141.43	105.87
Deemed capital contribution	0.08	0.08

DIRECTORS AND KEY MANAGERIAL PERSONNEL

5.1 Additions

(a) During the year following directors have been appointed:
Mr. Anand Agarwal (DIN) appointed as Director with effect from 18th April, 2018
Mr. Praveer Sinha (DIN: 01785164) appointed with effect from 9th May 2018
Mr. Ajay Kapoor (DIN:) appointed with effect from 20th June 2018
Ms. Kiran Gupta (DIN:) appointed with effect from 21st August 2018

(b) During the year following Key Managerial Personnel were appointed:
Mr. Suranjit Mishra appointed as Chief Financial Officer with effect from 30th June 2018.
Ms. Neha Malik appointed as Company Secretary with effect from 1st August 2018.

5.2 Retirements/resignations

(a) During the year following directors have resigned:

Ms. Anjali Kulkarni (DIN: 06993909) resigned with effect from 18th June, 2018 from the Board of Directors, due to official preoccupations. The Board thanked him for his services and contributions.

Mr. Anand Agarwal (DIN: 06398370) resigned with effect from 30th June, 2018 from the Board of Directors, due to official preoccupations. The Board thanked him for his services and contributions.

Mr. S Ramakrishnan (DIN: 00005090) ceased to be Director with effect from 13th July, 2018. The Board thanked him for his services and contributions.

(b) During the year following Key Managerial Personnel resigned:

Mr. Amey Naik resigned as Chief Financial Officer with effect from 29th June 2018.
Mr. Amey Naik resigned as Company Secretary with effect from 31st July 2018

- 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) 25th April 2018
ii) 13th July 2018
iii) 25th October 2018
iv) 21st January 2019
v) 19th February 2019

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 during the Financial Year 2018-19
1	Mr. Ashok Sethi	Chairman, Non-Independent, Non Executive	5
2	Mr. Praveer Sinha(1)	Non-Independent, Non Executive	2
3	Mr. S Ramakrishnan(2)	Non-Independent, Non Executive	1
4	Mr. Anil Sardana(3)	Non-Independent, Non Executive	1
5	Ms. Anjali Kulkarni(4)	Non-Independent, Non Executive	1
6	Mr. Anand Agarwal(5)	Non-Independent, Non Executive	0
7	Mr. Sanjeev Mehra	Executive	5
8	Mr. Ajay Kapoor(6)	Non-Independent, Non Executive	4
9	Ms. Kiran Gupta(7)	Women Non Executive Director	2

Note:

(1) Appointed with effect from 09.05.18
(2) Ceased to be director with effect from 13.07.18
(3) Ceased to be director with effect from 30.04.18
(4) Ceased to be director with effect from 18.06.18
(5) Appointed as director on 18.04.18 and ceased to be director with effect from 30.06.18
(6) Appointed as director with effect from 20.06.18
(7) Appointed as director with effect from 21.08.18

- General Body Meeting

Annual General Meeting (AGM) for FY18 was held on 13th July 2018.

- Committees of the Board

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

The Composition of Corporate Social Responsibility Committee and changes held during the FY 2018 is given below:

Table: Composition of Corporate Social Responsibility Committee and their designation

Sr. No	Name of Director	Designation
1	Ashok Sethi	Chairman
2	Anjali Kulkarni(1)	Member
3	Sanjeev Mehra	Member
5	Ajay Kapoor(2)	Member

(1) Ceased to be director with effect from 18.06.2018.
(2) Appointed as director w.e.f. 20.06.2018.

There were two (2) Corporate Social Responsibility (CSR) Committee meetings held during the FY 19 on 25th April, 2018 and 25th October, 2018.

We confirm the above is a complete list of all Shareholder / Member meetings, Board and Committee meetings held during FY18.

- 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 V

4. Regulatory (updated)

6.1 Regulatory Environment

a. CERC DSM Regulations Amendments

CERC had issued 4th amendments to DSM Regulations, key highlights are as follows

- **DSM linked to ACP**

1. DSM Charges shall be daily average Area Clearing Price discovered in the Day-Ahead Market (DAM) segment of Power Exchange. The Deviation Settlement Mechanism (DSM) rate vector will have a dynamic slope determined by joining the identified price points at 50 Hz. (daily simple average ACP), frequency of 49.85 Hz (Rs. 8 per unit) and 50.05 Hz (zero) on a daily basis.
2. The maximum ceiling limit applicable for average Daily ACP discovered in the DAM segment of Power Exchange at 50.00 Hz shall be 800 Paise/kWh.
3. Charges for deviation for each 0.01 Hz step shall be equivalent to the Slope determined by joining the price at 'Not below 50.05 Hz' and 'identified price at 50.00 Hz' in the frequency range of 50.05-50.00 Hz,
4. The Slope determined by joining the 'price identified at 50.00 Hz' and price at 'below 49.85 Hz' in frequency range 'below 50 Hz' to 'below 49.85 Hz'.

- **DSM charges capped to NTPC/ISGS and other IPPs**

5. The charges for the deviation for the generating stations whose tariff is determined by the Commission, when actual injection is higher or lower than the scheduled generation, shall not exceed the Cap Rate (equivalent to energy charges of the previous month)

6. The charges for the deviation for the generating stations other than those covered under proviso (i) of this Regulation, irrespective of the fuel source, when actual injection is higher or lower than the scheduled generation, shall not exceed the Cap Rate of 303.04 Paise/kWh."

- **<u>Limit on Deviation Volume – Clause of 1% and 3% to be applicable after one year</u>**

7. Deviation limit – A new provision to clause (1) of Regulation 7 shall be added as

   Provided also that from a date not earlier than one year as may be notified by the Commission, the total deviation from schedule in energy terms during a day shall not be in excess of 3% of the total schedule for the drawee entities and 1% for the generators and additional charge of 20% of the daily base DSM payable / receivable shall be applicable in case of said violation.

- **<u>Change in Sign /Sustained deviation</u>**

8. "In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such regional entity shall have to change sign of their deviation from schedule, at least once, after every 6-time blocks.
9. The additional charge for violation of sign change stipulation shall be leviable for each such violation during a day. Provided that in case of run of river projects without pondage, payment of additional charge for failure to adhere to sign change requirement shall apply from such date as may be notified by the Commission. Such generators shall, however, be required to follow the sign change requirement and report to POSOCO the reasons for non-adherence to the requirement"

5. 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 revisit the risk management framework annually.

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

- Business Continuity and Disaster Management Program (BCDMP)

Your Company is certified ISO 22301:2012 Company for BCDMP. 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 had 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.

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

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

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

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

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

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

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

Process Robustness Index (PRI): The processes are examined to assess their robustness primarily from the perspective of system driven controls which ensure deviations from the defined process do not occur due to manual interventions. In case controls have not been embedded in the system, other compensating controls such as maker-checker are exercised to assess the robustness of the process. This index is computed 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.

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

9. Sustainability

9.1 Safety – Care for our People

Safety Statistics FY18:

Sl. No.	Safety Parameters (Employees and contractors)	FY19	FY18
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(http://tatapowertrading.com/about-us/csr.php), the CSR Committee passed the policy on 21st October, 2015, which was revisited on 13th May, 2016. The CSR budget for FY19 was ₹ 42.88 laks.

Your Company has invested in following schemes under CSR activities:

I. Sastra:

Your company has invested ₹ 4.4 lakhs in CSR activities to be undertaken by SASTRA University in areas surrounding the University in Tamil Nadu.

a. Social Capital and Institution Building

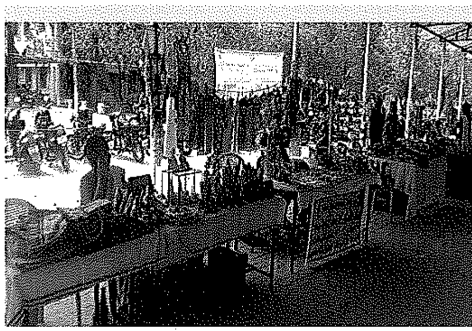
The objective of the project was to empower local unemployed youth through pre-approved skill development programs to pursue their future micro-venture/ business and create avenues for their sustainable livelihood through entrepreneurial orientation and assistance.

The target group was 100 trainees to be identified from 10 villages near SASTRA University.

After conducting a baseline survey to identify beneficiaries, lectures and hands on experience was to be provided by experienced trainers to fuel entrepreneurial spirit within the beneficiaries so they may consider opening their own micro-venture businesses after the program.

b. Livelihood Improvement through capacity building of SHG

The objective was dissemination of product information and providing a platform for "Exhibition-cum-sale" of products made by them. 2 such events were proposed to be organized.



II. Tata Power Community Development Trust (TPCDT):

Your company signed an MOU with TPCDT for an amount of ₹ 16 lakhs in FY19,which was dispersed for various programs in Haldia, details of which are given below:

a. Education Excellence Program

The objective of the program was- (i) To reduce drop out and enhance enrolment; (ii) To retain all children in project area between 6 to 14 years age group; (iii) To ensure increased learning outcome; and (iv) To ensure equal educational opportunity for all with focus on girl child in Haldia. Key activities undertaken to achieve the objectives include - awareness in parents and children - for mainstreaming dropouts/enhancing enrolment; education resources in primary schools; assessment of reading/writing/retention skills for students; Teachers Training; formulation and development of TLM and night coaching & career guidance.

b. Farm and Non Farm Livelihood

The objective of the program was : (i) to improve the quality of life for the community; (ii) to enhance income level of the communities especially women. Key Initiatives undertaken to achieve the objective were: (i) promotion of pisciculture and new agronomic practices, (ii) skill development of SHG women (Farm/Non farm), (iii) monitoring and treatment to commercial Vegetable Cultivation, fishery ,animal husbandry etc.

c. Empowering women through SHG promotion

The objective of the program was : To promote and strengthen Women SHGs and SHG-based institutions thereby empowering women for sustainable livelihood. The Key initiatives undertaken to achieve objective were: Promotion of SHGs, Credit linkage with bank, Promotion of income generation activities and linkage with Govt. Schemes.

III. ARADHYA VT Centre:

Your Company has spent ₹ 8.25 lakhs in the programmed undertaken at ARADHYA VT Centre in Shakurpur (Delhi). Vocational trainings were provided to students (50% under SC/ST category) under various categories as indicated below:

- Computer
- Beauty Culture
- Stitching & Tailoring

The Centre also provided tutorial classes for children[For school-going children (Class 1 to 8)]who are weak learners

IV. ARADHYA VT Centre {CSA Colony}

Your Company has spent ₹ 7.48 lakh in the programmed undertaken at ARADHYA VT Centre in CSA Colony. Vocational trainings were provided to students (50% under SC/ST category) under various categories as indicated below:

- Computer Training
- Beauty Culture
- Cutting & tailoring
- Hospitality

The Centre also provided tutorial classes for children[For school-going children (Class 1 to 8)]who are weak learners

V. <u>ANK VT Center {Badli}</u>

Your Company has spent ₹ 5.75 lakh in the programmed undertaken at ANK VT Center {Badli}. Vocational trainings were provided to students (50% under SC/ST category) under various categories as indicated below:

- Electrician
- Stitching & tailoring

The Centre also provided tutorial classes for children [For school-going children (Class 1 to 8)]who are weak learners

VI. Infrastructure Investment in School

In FY19, the school had infrastructure support in the form of lights, fans, switchboards, tables and chairs for the school, to further encourage school children and promote the cause of education. Accordingly, a visit was made to the school in July, 2018 to for discussions and negotiation, and also to understand their detailed requirements and lights, fans, switchboards, tables and chairs were provided to the school.

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. The employees consider the aspects of Greenolution while carrying out process reengineering.

10. Human Resources

10.1 Manpower

As on 31st March, 2019, Tata Power Trading Company Ltd. had 35 employees on its payrolls.

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 Customer Relationship Management, was conducted for all employees, to improve the employee's customer responsiveness and customer relationship management skills.
- Awareness programs on POSH (Policy on Sexual Harassment) and Ethics 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 FY18:

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:	3
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

On two occasions during the previous year, the company had invested in Inter-Corporate Deposit as a part of normal working capital management. The details of investment are provided in Annexure IV.

13. Foreign Exchange Earnings and Outgo

₹ in crore

Particulars – Standalone	FY19	FY18
Foreign Exchange Earnings mainly on account of interest, dividend	0	0
Foreign Exchange Outflow mainly on account of:	0	
Fuel purchase	0	0
Interest on foreign currency borrowings, NRI dividends	0	0

Particulars – Standalone	FY19	FY18
Purchase of capital equipment, components and spares and other miscellaneous expenses	0	0.03

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 did not enter into any transactions with related parties which were not at arm's length.

15. Auditors

M/s S. R. Batliboi & Co., LLP, Chartered Accountants, who are the statutory auditors of your Company, hold office until the conclusion of the 19th Annual General Meeting.

16. Auditors' Report

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

17. Secretarial Audit Report

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

18. Directors' Responsibility Statement

Based on the framework of IFC (Internal Financial Controls) 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 FY19.

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.

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,

Ashok Sethi

Ashok Sethi
Chairman
(DIN: 01741911)

Mumbai, April 16' 2019

ANNEXURE I – CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

A. Conservation of Energy - Nil

B. Technology absorption, adaptation and innovation

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 thereof and future plans of action	Nil

1. TECHNOLOGY ABSORPTION - NIL

2. TECHNOLOGIES BEING REVIEWED/ADOPTED - NIL

On behalf of the Board of Directors,

Ashok Sethi

Ashok Sethi
Chairman
(DIN: 01741911)

Mumbai, April 16' 2019

Annexure II – 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. Mr. Ashok Sethi (Chairman) 2. Mr. Sanjeev Mehra 3. Mr. Ajay Kapoor
3	Average net profit of the company for last three financial years.	₹ 21.43 crore (as per Section 198 of Companies Act, 2013)
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ *42.88* lakhs
5	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year	₹ 42.88 lakhs (Actual spent ₹ 42.99 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 {In INR}	Amount Spent on projects or programs {In INR} Subheads: Direct and Overheads	Cumulative expenditure up to 31/03/19 {In INR}	Amount spent: Direct or through implementation agency
1	ARADHYA VT Center	• Child Primary Education • Vocational Training	Sakurpur, Delhi	8.25 lakh	8.25 lakh	8.25 lakh	Direct
2	ARADHYA VT Center	• Child Primary Education • Vocational Training	CSA Colony, Delhi	7.48 lakh	7.48 lakh	7.48 lakh	Direct
3	ANK VT Centre	• Child Primary Education • Vocational Training	Badli, Delhi	5.75 lakh	5.75 lakh	5.75 lakh	Direct
4	Infrastructure in Government School	• Child Primary Education	Greater Noida	0.86 lakh	0.86 lakh	0.86lakh	Direct
5	SASTRA University	Social Capital and Institution Building	Thanjavur, Tamil Nadu	4.4 lakh	4.4 lakh	4.4 lakh	Direct
		Livelihood improvement	Thanjavur & Kumbakonam, Tamil Nadu				Direct
6	TPCDT	Education excellence	Haldia, West Bengal	8 lakh	8 lakh	16 lakh	Implementation Agency - TPCDT
		Farm and Non-Farm Livelihood		6 lakh	6lakh		
		Empowering Community women through SHG promotion		2 lakh	2lakh		
7	Miscellaneous	Empowering Community women through	West Bengal	0.25 lakh	0.25 lakh	0.25lakh	Direct

(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 {In INR}**	**Amount Spent on projects or programs {In INR} Subheads: Direct and Overheads**	**Cumulative expenditure up to 31/03/19 {In INR}**	**Amount spent: Direct or through implementation agency**
		SHG promotion and travelling expense related to CSR activities					
	Total	-	-	-	-	**42.99 lakh**	-

4	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.
5	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.

Ashok Sethi

Ashok Sethi
Chairman (CSR Committee)
(DIN: 01741911)

Mumbai, April 16' 2019

ANNEXURE III – 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
Tata Power Delhi Distribution Limited (Fellow subsidiary)	Supply of Power	April 2018 to March 2019	As per CERC Regulation/Order	N.A.	Nil
Tata Power Solar Systems Limited (Fellow Subsidiary)	Supply of Power	April 2018 to March 2019	Linked to Exchange discovered price	N.A.	Nil
Welspun Renewable Energy Limited (Fellow Subsidiary)	Rendering of Services	April 2018 to March 2019	QCA Service	N.A.	Nil
Welspun Solar Kannada Private Limited (Fellow Subsidiary)	Rendering of Services	April 2018 to March 2019	QCA Service	N.A.	Nil

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
Tata Power Renewable Energy Limited (Fellow Subsidiary)	Rendering of Services	April 2018 to March 2019	QCA Service	N.A.	Nil
Vagarai Windfarms Limited (Fellow Subsidiary)	Rendering of Services	April 2018 to March 2019	Consultancy for Group Captive	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Revenue from Sale of REC certificate	April 2018 to March 2019	Service Charges	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Purchase of Power	April 2018 to March 2019	Linked to Tender/ Exchange discovered price	N.A.	Nil
Maithon Power Limited (Fellow Subsidiary)	Purchase of Power	April 2018 to March 2019	As per CERC Regulation/Order	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Receiving of Services	April 2018 to March 2019	Rent, Facility & Other services	N.A.	Nil
Tata Power Solar Systems Limited (Fellow Subsidiary)	Receiving of Services	April 2018 to March 2019	O&M Charges	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Reimbursement of Expenses	April 2018 to March 2019	OA /SOC MOC charges	N.A.	Nil
Tata Power Delhi Distribution Limited (Fellow subsidiary)	Reimbursement of Expenses	April 2018 to March 2019	OA /SOC MOC charges	N.A.	Nil
Maithon Power Limited (Fellow Subsidiary)	Reimbursement of Expenses	April 2018 to March 2019	OA/SOC MOC charges	N.A.	Nil

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
Tata Power Solar Systems Limited (Fellow Subsidiary)	Reimbursement of Expenses	April 2018 to March 2019	OA/SOC MOC charges	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Inter Corporate Loans	April 2018 to March 2019	ICD given/taken	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Purchase of Property, plant & equipment	April 2018 to March 2019	At written down value	N.A.	Nil
Tata Power Renewable Energy Limited (Fellow subsidiary)	Inter corporate loan	April 2018 to March 2019	ICD Given/ Taken	N.A.	Nil
Powerlinks Transmission Limited (Fellow subsidiary)	Inter corporate loan	April 2018 to March 2019	ICD Given/ Taken	N.A.	Nil
Costal Gujarat Power Ltd (Fellow subsidiary)	Reimbursement of expenses	April 2018 to March 2019	Other services	N.A.	Nil
Walwhan Renewable Energy Limited (Fellow subsidiary)	Inter corporate loan	April 2018 to March 2019	ICD Given/ Taken	N.A.	Nil
The Tata Power Company Limited (Holding Company)	Purchase of Power	April 2018 to March 2019	At written down value	N.A.	Nil
Dagachhu Hydro Power Corporation Limited (JV of Holding Company)	Purchase of Power	April 2018 to March 2019	As per agreement	22.07.2017	Nil

On behalf of the Board of Directors,

Ashok Sethi

Ashok Sethi
Chairman
(DIN: 01741911)

Mumbai, April 16' 2019

Annexure IV– Loans, guarantees, securities and investments made

Nature of transaction (whether Loan/ Guarantee/ Security/ Acquisition)	Name of Person/ Body Corporate (recipient)	Amount of Loan/ Security/ Acquisition/ Guarantee	Tenure (in days)	Purpose of proposed utilization by recipient	Rate of Interest	Date of maturity	Counter guarantee	Details of securities provided	No. & kind of securities	Terms & conditions	Whether prejudicial to interest of the company
Inter Corporate Deposit	The Tata Power Company Limited	5,00,00,000	1	Working Capital management	7.30%	25-Apr-18	-	-	-	-	NO
Inter Corporate Deposit	The Tata Power Company Limited	30,00,00,000	2	Working Capital management	7.34%	02-Jul-18	-	-	-	-	NO
Inter Corporate Deposit	The Tata Power Company Limited	30,00,00,000	7	Working Capital management	7.28%	16-Aug-18	-	-	-	-	NO
Inter Corporate Deposit	The Tata Power Company Limited	20,00,00,000	7	Working Capital management	7.99%	12-Oct-18	-	-	-	-	NO
Inter Corporate Deposit	The Tata Power Company Limited	5,00,00,000	7	Working Capital management	7.65%	15-Oct-18	-	-	-	-	NO

ANNEXURE V – ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2019

[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 Shareholders	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**									
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 Company	%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. H M Mistry	1	0%	-	1	0%	-	
3	The Tata Power Company Limited and Mr. Sanjay Dube	1	0%	-	0	0%	-	-
4	The Tata Power Company Limited and Mr. Sanjeev Mehra	1	0%	-	0	0%	-	-
5	The Tata Power Company Limited and Mr. Ramesh Subramanyam	1	0%	-	0	0%	-	-
6	The Tata Power Company Limited and Mr. Jeraz E Mahernosh	1	0%	-	1	0%	-	-
7	The Tata Power Company Limited and Mr. Pramod Singh	1	0%	-	0	0%	-	-
8	The Tata Power Company Limited and Mr. Anand Agarwal	0	0	-	1	0%	-	0%
9	The Tata Power Company Limited and Mr. Pradip Roy	0	0	-	1	0%	-	0%
10	The Tata Power Company Limited and Mr. Prasad Bagade	0	0	-	1	0%	-	0%
11	The Tata Power Company Limited and Mr. Soundraya Kasturi	0	0	-	1	0%	-	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	15,999,994	100%		No change	-	-	15,999,994	100%
2	The Tata Power Company Limited and Mr. H M Mistry	1	0%		No change	-	-	1	0%
3	The Tata Power Company Limited and Mr. Sanjay Dube	1	0%	28.09.18	Transfer		-	-	-
4	The Tata Power Company Limited and Mr. Sanjeev Mehra	1	0%	28.09.18	Transfer		-	-	-
5	The Tata Power Company Limited and Mr. Ramesh Subramanyam	1	0%	28.09.18	Transfer		-	-	-
6	The Tata Power Company Limited and Mr. Jeraz E Mahernosh	1	0%		No change	-	-	1	0%
7	The Tata Power Company Limited and Mr. Pramod Singh	1	0%	28.09.18	Transfer		-	-	-
8	The Tata Power Company Limited and Mr. Anand Agarwal	-	-	28.09.18	Transfer	1	0%	1	0%
9	The Tata Power Company Limited and Mr. Prasad Bagade	-	-	28.09.18	Transfer	1	0%	1	0%
10	The Tata Power Company Limited	-	-	28.09.18	Transfer	1	0%	1	0%

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
	and Mr. Soundraya Kasturi								
11	The Tata Power Company Limited and Mr. Pradip Roy	-	-	28.09.18	Transfer	1	0%	1	0%

(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
Not Applicable					

(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%	28.09.18	transfer	0	0%	0	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	57.79	-	-	57.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.25	-	-	0.25
Total (i+ii+iii)	**58.04**	**-**	**-**	**58.04**
Change in Indebtedness during the financial year				
- Addition	723.75	445.00		1,168.75
- Reduction	(607.46)	(445.00)		(1,052.46)
Net Change	**116.29**	**-**	**-**	**116.29**
Indebtedness at the end of the financial year				
i) Principal Amount	174.10	-	-	174.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.24	-	-	0.24
Total (i+ii+iii)	**174.33**	**-**	**-**	**174.33**

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	160.75
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...(performance based)	-
5.	Others, Retirement Benefits	As per policy
	Total (A)	160.75
	Ceiling as per the Act	288.00

B. Remuneration to other Directors:

Figures in ₹

Sl. no.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee Meetings*	Commission**	Others, please specify	
I.	Independent Directors	Not Applicable			
	Total (A)				
II.	Other Non-Executive Directors				
	Mr. S Ramakrishnan	72,000	Nil	Nil	72,000
	Mr. Praveer Sinha	Nil			
	Mr. Anil Sardana	Nil	Nil	Nil	Nil
	Mr. Ashok Sethi	Nil	Nil	Nil	Nil
	Mr. Ramesh Subramanyam	Nil	Nil	Nil	Nil
	Ms. Anjali Kulkarni	63,000	Nil	Nil	63,000
	Mr. Ajay Kapoor	Nil	Nil	Nil	Nil
	Ms. Kiran Gupta	90,000	Nil	Nil	90,000
	Total (B)		**Nil**	**Nil**	
	Total Managerial Remuneration		**Nil**	**Nil**	

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 ₹ lakh

Sl. no.	Particulars of Remuneration	Mr. Amey Naik(CFO) (from 01-04-2018 to 31-05-2018
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	15.18
2.	Stock Option	-
3.	Sweat Equity	-

Sl. no.	Particulars of Remuneration	Mr. Amey Naik(CFO) (from 01-04-2018 to 31-05-2018
4.	Commission - as % of profit - others, specify...(performance based)	-
5.	Others, Retirement Benefits	As per policy
	Total	15.18

Figures in ₹ lakh

Sl. no.	Particulars of Remuneration	Mr. Suranjit Mishra(CFO) (from 1-6-2018 to 31-03-2019)
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	46.28
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...(performance based)	-
5.	Others, Retirement Benefits	As per policy
	Total	46.28

Figures in ₹ lakh

Sl. no.	Particulars of Remuneration	Ms. Neha Malik (CS) (from 1.8.2018 to 31.3.2019)
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 © Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14.45
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...(performance based)	-
5.	Others, Retirement Benefits	As per policy
	Total	14.45

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 Board of Directors,

Ashok Sethi

Ashok Sethi
Chairman
(DIN: 01741911)

Mumbai, April 16' 2019

ANNEXURE – DEPOSITS

N.A.

4th Floor, Office 405
World Mark - 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi - 110 037, India
Tel : +91 11 4081 9500

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Power Trading Company Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Tata Power Trading Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

per Sanjeev Kumar Singhal
Partner
Membership Number: 095377
Place of Signature: New Delhi
Date: April 16, 2019

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

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

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

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

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the product/services of the Company.

(vii)(a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

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

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans. The Company did not have loans or borrowings in respect of financial institutions or government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, therefore not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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

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

per Sanjeev Kumar Singhal
Partner
Membership Number: 095377
Place of Signature: New Delhi
Date: April 16, 2019

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

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

We have audited the internal financial controls over financial reporting of Tata Power Trading Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sanjeev Kumar Singhal
Partner
Membership Number: 095377
Place of Signature: New Delhi
Date: April 16, 2019

Tata Power Trading Company Limited
Balance sheet as at 31st March, 2019

	Notes	As at 31st March, 2019	As at 31st March, 2018 (Restated-refer Note 24)
		₹ Lakhs	₹ Lakhs
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4	4,721.07	5,091.99
(b) Intangible Assets	5	122.86	209.37
(c) Financial Assets			
(i) Investments	6	-	-
(d) Non-current Tax Assets (Net)	11	213.93	219.22
(e) Other Non-current Assets	12	8.00	8.40
Total Non-current Assets		**5,065.86**	**5,528.98**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	7	56,608.78	14,749.32
(ii) Unbilled Revenue and agency receivable		11,580.96	19,523.71
(iii) Cash and cash Equivalents	13	8.24	4.93
(iv) Bank Balances other than (iii) above	13	-	91.36
(v) Other financial assets	10	1,193.64	17,977.58
(b) Other Current Assets	12	16.17	10.38
Total Current Assets		**69,407.79**	**52,357.28**
TOTAL ASSETS		**74,473.65**	**57,886.26**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,600.00	1,600.00
(b) Other Equity	15	17,595.86	14,039.89
Total Equity		**19,195.86**	**15,639.89**
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,861.50	3,143.56
(b) Provisions	18	305.01	246.00
(c) Deferred Tax Liabilities (Net)	19	1,147.62	923.01
Total Non-current Liabilities		**4,314.13**	**4,312.57**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	14,266.01	2,375.05
(ii) Trade Payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 22(ii))		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		34,506.24	23,141.31
(iii) Other Financial Liabilities	17	900.59	875.61
(b) Provisions	18	11.09	1,213.55
(c) Current Tax Liabilities (Net)		112.73	87.06
(d) Other Current Liabilities	20	1,167.00	10,241.22
Total Current Liabilities		**50,963.66**	**37,933.80**
TOTAL EQUITY AND LIABILITIES		**74,473.65**	**57,886.26**

The accompanying notes are an integral part of the financial statements

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

per Sanjeev Kumar Singhal
Partner
Membership No. 95377

Place: New Delhi
Date: 16th April, 2019

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

Sanjeev Mehra
Managing Director
DIN-02626778

Ashok S Sethi
Chairman
DIN-01741911

Suranjit Mishra
Chief Financial Officer

Neha Malik
Company Secretary

Place: Mumbai
Date: 16th April, 2019

Tata Power Trading Company Limited
Statement of profit and loss for the year ended 31st March, 2019

	Notes	For Year ended 31st March, 2019	For Year ended 31st March, 2018 (Restated-refer Note 24)
		₹ Lakhs	₹ Lakhs
I Revenue from Operations	23	26,223.82	23,799.38
II Other Income	27	231.18	51.96
III **Total Income**		26,455.00	23,851.34
IV **Expenses**			
(a) Cost of Power Purchased		17,041.46	16,924.98
Less: Cash discount earned		(246.84)	(214.18)
		16,794.62	16,710.80
(b) Compensation Expense (Net)		7.63	373.23
(c) Employee Benefits Expense	28	1,100.33	1,100.99
(d) Finance Costs	29	887.55	1,013.05
(e) Depreciation and Amortisation Expenses	4 & 5	458.09	456.86
(f) Other Expenses	30	1,478.75	1,769.38
Total Expenses		20,726.97	21,424.31
V **Profit Before Tax**		5,728.03	2,427.03
VI **Tax Expense**			
Current Tax	31	2,044.66	601.50
Tax for earlier years	31	10.22	(66.66)
Deferred Tax	31	(16.61)	393.02
		2,038.27	927.86
VII **Profit for the period**		3,689.76	1,499.17
VIII **Other Comprehensive Income**			
A Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		(23.38)	53.58
(b) Tax expense		8.17	(18.54)
Total Other Comprehensive Income		(15.21)	35.04
IX **Total Comprehensive Income for the period (VII+ VIII)**		3,674.55	1,534.21
X **Earnings Per Equity Share (Face Value ₹ 10/- Per Share)**			
Basic (₹)	32	23.06	9.37
Diluted (₹)	32	23.06	9.37

The accompanying notes are an integral part of the financial statements

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

per Sanjeev Kumar Singhal
Partner
Membership No. 95377

Place: New Delhi
Date: 16th April, 2019

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

Sanjeev Mehra
Managing Director
DIN- 02626778

Ashok S Sethi
Chairman
DIN-01741911

Suranjit Mishra
Chief Financial Officer

Neha Malik
Company Secretary

Place: Mumbai
Date: 16th April, 2019

Tata Power Trading Company Limited
Statement of cash flows for the period ended 31st March , 2019

		Year Ended 31st March,2019	Year Ended 31st March,2018 (Restated-refer Note 24)
		₹ Lakhs	₹ Lakhs
A.	**Cash flow from operating activities**		
	Profit before tax	5,728.03	2,427.03
	Depreciation and amortisation expense of property, plant & equipment	458.09	456.86
	Interest income	(12.98)	(3.30)
	Decrease in fair valuation of investment	-	387.00
	Finance cost	887.55	1,013.05
	Loss/(gain) on disposal of property, plant and equipment	(0.03)	0.97
	Gain on sale of current investments	(218.20)	(48.66)
	Amortization of leasehold land	0.40	0.40
	Liability no longer required written back	(57.71)	(411.35)
	Provision for doubtful debts and advances (Net)	(12.77)	(130.38)
		6,772.38	**3,691.62**
	(Increase)/decrease in trade receivables	(41,837.87)	34,042.72
	(Increase)/decrease in other current assets	(6.19)	139.01
	Decrease/(increase) in other current financial assets	24,716.35	(24,691.34)
	Increase/(decrease) in trade payables	11,422.64	(9,046.77)
	(Decrease)/increase on other current liabilities	(9,074.22)	9,710.73
	Increase/(decrease) in other current financial liabilities	48.73	(189.23)
	Increase/(decrease) in provisions	138.72	73.81
		(14,591.91)	10,038.93
	Cash generated from operations	**(7,819.53)**	**13,730.55**
	Income taxes paid	(1,782.70)	(574.79)
	Net cash flow from operating activities	**(9,602.23)**	**13,155.76**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment	(46.28)	(410.43)
	Proceeds from disposal of property, plant and equipment	1.46	2.02
	Inter company deposits given	(9,000.00)	(4,500.00)
	Inter company deposits received back	9,000.00	4,500.00
	Purchase of current investments	(2,90,820.00)	(85,650.00)
	Proceeds from sale of current investments	2,91,038.20	85,698.66
	Interest income received on fixed deposits	4.60	-
	Finance income received	9.90	1.78
	Net cash flow from / (used) in investing activities	**187.88**	**(357.97)**
C.	**Cash flow from financing activities**		
	Proceeds from borrowings	70,485.15	1,44,481.37
	Repayment of borrowings	(70,745.58)	(1,58,919.37)
	Inter company deposits taken	34,500.00	7,500.00
	Inter company deposits repaid	(34,500.00)	(7,500.00)
	Finance costs paid	(888.74)	(1,015.32)
	Dividends paid	(1,100.00)	(400.00)
	Dividend distribution tax paid	(224.13)	(81.43)
	Net cash flow used in financing activities	**(2,473.30)**	**(15,934.75)**
	Net (decrease)/increase in cash and cash equivalents	**(11,887.65)**	**(3,136.96)**
	Cash and cash equivalents as at 1st April,2018 (Opening Balance)	**(2,370.12)**	**766.84**
	Cash and cash equivalents as at 31st March,2019 (Refer note 13)	**(14,257.77)**	**(2,370.12)**

The accompanying notes are an integral part of the financial statements

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

per Sanjeev Kumar Singhal
Partner
Membership No. 95377

Place: New Delhi
Date: 16th April, 2019

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

Sanjeev Mehra
Managing Director
DIN-02626778

Ashok S Sethi
Chairman
DIN-01741911

Suranjit Mishra
Chief Financial Officer

Neha Malik
Company Secretary

Place: Mumbai
Date: 16th April, 2019

Tata Power Trading Company Limited
Statement of changes in equity for the period ended 31st March, 2019

A. Equity Share Capital

₹ Lakhs

	No. of Shares	Amount
Balance as at 1st April, 2017	1,60,00,000	1,600
Issue of Equity Shares during the period	-	-
Balance as at 31st March, 2018	1,60,00,000	1,600
Issue of Equity Shares during the year	-	-
Balance as at 31st March, 2019	1,60,00,000	1,600

B. Other Equity

₹ Lakhs

Description	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Deemed capital contribution from holding company	
Balance as at 1st April, 2017	1,355.00	2,089.50	10,739.86	8.30	14,192.66
Add: Issue of financial Guarantee by holding company	-	-	-	-	-
Profit for the year	-	-	1,499.17	-	1,499.17
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	35.04	-	35.04
Total Comprehensive Income	-	-	1,534.21	-	1,534.21
Dividend paid (including tax on dividend)	-	-	1,686.98	-	1,686.98
Balance as at 31st March, 2018	**1,355.00**	**2,089.50**	**10,587.09**	**8.30**	**14,039.89**
Balance as at 1st April, 2018	1,355.00	2,089.50	10,587.09	8.30	14,039.89
Profit for the year	-	-	3,689.76	-	3,689.76
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	-	(15.21)	-	(15.21)
Total Comprehensive Income	-	-	**3,674.55**		**3,674.55**
Dividend paid (including tax on dividend)	-	-	100.00	-	100.00
Tax on Dividend	-	-	18.58	-	18.58
Balance as at 31st March, 2019	**1,355.00**	**2,089.50**	**14,143.06**	**8.30**	**17,595.86**

The accompanying notes are an integral part of the financial statements

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

per Sanjeev Kumar Singhal
Partner
Membership No. 95377

Place: New Delhi
Date: 16th April, 2019

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

Sanjeev Mehra
Managing Director
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Chief Financial Officer

Ashok S Sethi
Chairman
DIN-01741911

Neha Malik
Company Secretary

Place: Mumbai
Date: 16th April, 2019

1.1 **Corporate Information:**

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

The financial statements were authorized for issue in accordance with a resolution of the Directors on April 16, 2019.

1.2 **Statement of compliance**

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

1.3 **Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value (refer note 2.2 accounting policy regarding financial instruments).

1.4 **Use of estimates**

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

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

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

2. **Other Significant Accounting Policies**

2.1 **Foreign Currencies**

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

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

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

2.2 **Financial Instruments**

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

2.3 **Financial Assets**

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

2.3.1 **Classification of financial assets**

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

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

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

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

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

2.3.2 Effective interest method

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

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

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

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

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

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

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

2.3.4 Derecognition of financial assets

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

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

2.3.5 Impairment of financial assets

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

2.4 Financial liabilities and equity instruments

2.4.1 Classification as debt or equity

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

2.4.2 Equity Instruments

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

2.4.3 Financial liabilities

Financial Liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

Financial liabilities subsequently measured at amortised cost

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

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

Financial Guarantee contract

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

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

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

2.4.4 Derecognition of financial liabilities

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

2.5 Leasing arrangement

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

The Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. 'Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company as lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs (See note 29). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

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

2.6 Cash Flow Statement

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

2.7 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

2.8 Operating cycle

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

2.9 Contingent liabilities

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

2.10 Dividend distribution to equity shareholders of the Company

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

3.1 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

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

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

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

c) Ind AS 109 – Prepayment Features with Negative Compensation

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

d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

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

e) Ind AS 23 – Borrowing Costs

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

3.2 The areas involving critical estimates are:

i) Estimation of defined benefit obligation

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

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

ii) Fair Value of Investment

During the previous year company has evaluated the fair value of its investment in Tata Ceramics Limited based on fair valuation conducted by an independent expert (Also refer note 6 and note 35). As per management estimate there is no change in the fair value of investment as compared to previous year.

iii) Useful life of property, plant and equipment

As described in note 1.4 above, the company reviews the estimated useful lives of property plant and equipment at end of each annual reporting period.

4. Property, Plant and Equipment

Accounting Policy

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

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

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

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

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

Plant and Equipment - Solar Plant: 15 years

Motor Vehicles: 5 years

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

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

₹ Lakhs

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

₹ Lakhs

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

Notes:

Plant and equipment with a carrying amount of ₹. 4702.34 lakhs (as at 31st March, 2018 - ₹. 5062.27 lakhs) have been pledged to secure borrowings of the Company (see note no.16).

5. Other intangible assets

Accounting Policy

Intangible assets acquired separately

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:
- Computer Software license: 5 years

₹ Lakhs

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

₹ Lakhs

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

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

Tata Power Trading Company Limited
Notes to the financial statements

6. Non-current Investments

	As at 31st March, 2019 Numbers	As at 31st March, 2018 Numbers	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Investments carried at fair value				
Unquoted Investments (all fully paid)				
a) Investments in Preference instruments at FVTPL-Tata ceramics Limited	3,00,000	3,00,000	387.00	387.00
Less: Fair value changes			(387.00)	(387.00)
			-	-
b) Investments in equity instruments at FVTPL-Power Exchange India Limited	25,00,000	25,00,000	250.00	250.00
Less: Fair value changes			(250.00)	(250.00)
			-	-
Total Aggregate Unquoted Investments			-	-

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

7. Trade Receivables

	As at 31st March, 2019 *₹ Lakhs*	*As at* 31st March, 2018 *₹ Lakhs*
Current Trade Receivables		
Considered good (refer note 9)	56,608.78	14,749.32
Considered doubtful	575.52	597.11
	57,184.30	15,346.43
Less: Allowance for Doubtful Trade Receivables	(575.52)	(597.11)
Total	56,608.78	14,749.32

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

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

Age of receivables ₹ Lakhs

	As at 31st March, 2019	As at 31st March, 2018
Within the credit period	27,252.76	7,085.97
1-30 days past due	13,935.59	4,819.56
31-60 days past due	986.06	243.32
61-90 days past due	1,297.26	72.28
More than 90 days past due	13,712.63	3,125.30
Total	57,184.30	15,346.43

8. Contract Balances

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

₹ Lakhs

	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Contract assets	-	-	-
Receivables			
Trade receivables (Gross) (refer note 9)	57,184.30	15,346.43	49,389.15
Unbilled revenue and agency receivable	11,580.96	19,523.71	11,344.15
Less : Allowances for doubtful debts	(575.52)	(597.11)	(686.02)
Net receivables	68,189.74	34,273.03	60,047.28
Contract liabilities			
- Advance from customers	1,025.80	10,105.28	436.46
Total Contract Liabilities	1,025.80	10,105.28	436.46

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

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

₹ Lakhs

	As at 31st March, 2019		As at 31st March, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening Balance	-	10,105.28	-	436.46
Less : Revenue recognized during the year from balance at the beginning of the year	-	(10,105.28)	-	(436.46)
Add : Advance received during the year not recognized as revenue	-	1,025.80	-	10,105.28
Add : Revenue in respect of earlier years recognized during the year	-	-	-	-
Add : Revenue recognized during the year apart from above	25,628.21	-	22,762.50	-
Transfer from contract assets to receivables	(25,628.21)	-	(22,762.50)	-
Closing Balance	-	1,025.80	-	10,105.28

Movement in the expected credit loss allowance	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Balance at the beginning of the year	597.11	686.02
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(21.59)	(88.91)
Balance at the end of the year	575.52	597.11

9. Revision of MPL tariff based on CERC order

The Company has long term contract for purchase of 600 MW of power from Maithon Power Limited (MPL), which has in turn been sold to Tata Power Delhi Distribution Company Limited (TPDDL) and to West Bengal State Electricity Distribution Company Limited (WBSEDCL). MPL bills the Company on the basis of tariff as determined by Central Electricity Regulatory Commission (CERC). The tariff charged by the Company to TPDDL and WBSEDCL is based on CERC determined tariff for MPL. On 27th December 2017, CERC issued Order with respect to MPL for truing up for the period from FY12 to FY14 and tariff determination for the period from FY 15 to FY19. As a result of the CERC Order, during previous year ended 31.3.2018, MPL issued a credit note of ₹ 38,653.52 lakhs to the Company and the Company in turn issued credit notes totaling to ₹ 38,653.52 lakhs on TPDDL and WBSEDCL. On account of these credit notes, the company reduced receivable from TPDDL and WBSEDCL and payable to MPL by ₹ 38,653.52 lakhs for year ended 31.3.2018. During the year ended 31.3.2019, the parties have settled the respective receivable and payable arising out of the aforesaid CERC tariff order.

10. Other Financial Assets

	As at 31st March, 2019 ₹ Lakhs	*As at* 31st March, 2018 ₹ Lakhs
Current		
(i) Security Deposits		
Unsecured, considered good		
Security Deposits	620.01	723.56
Unsecured, considered doubtful		
Security Deposits	5.00	5.00
Less: Provision	(5.00)	(5.00)
	620.01	723.56
Interest accrued on fixed deposit	-	1.52
	-	1.52
Unsecured, considered good		
Advances (refer note 10)	573.63	17,252.50
Unsecured, considered doubtful		
Advances	68.28	59.46
Less: Provision for doubtful advances	(68.28)	(59.46)
	573.63	17,252.50
	1,193.64	17,977.58

11. Non-current tax Assets

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Non-current tax assets		
Advance Income-tax (Net of provision)	213.93	219.22
	213.93	219.22

12. Other Assets

		As at 31st March, 2019	As at 31st March, 2018
		₹ Lakhs	₹ Lakhs
Non-current			
(i)	**Unamortised Premium for Leasehold Land**		
	Unsecured, considered good	8.00	8.40
		8.00	8.40
Current			
(i)	**Balances with Government Authorities**		
	Unsecured, considered good		
	Advances -indirect tax input credit receivable	2.40	2.40
(ii)	**Unamortised Premium for Leasehold Land**		
	Unsecured, considered good	0.40	0.40
(iii)	**Other Loans and Advances**		
	Unsecured, considered good		
	Prepaid Expenses	13.37	7.58
	Other Advances	-	-
		13.37	7.58
		16.17	10.38

13. Cash and Cash Equivalents

Accounting Policy

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

		As at 31st March, 2019	As at 31st March, 2018
		₹ Lakhs	₹ Lakhs
(i)	Balances with Banks:		
	In Current Accounts	8.24	4.93
	Cash and Cash Equivalents as per Balance Sheet	8.24	4.93
	Bank Overdraft (Refer Note No.21)	(14,266.01)	(2375.05)
	Cash and Cash Equivalents as per Statement of Cash Flows	(14,257.77)	(2370.12)
(ii)	Balances with Banks other then (i) above		
	In Deposit Accounts (with original maturity between 3 to 12 months)	-	91.36
		-	91.36
(iii)	**Changes in liabilities from financing activities**		
	Opening balance of Non-Current borrowings (including current maturity of non-current borrowings)	3,403.99	3,652.34
	Proceeds during the year	-	-
	Repayment during the year	(260.43)	(248.35)
	Closing balance	3,143.56	3,403.99

14. Equity - Share Capital

	As at 31st March, 2019		As at 31st March, 2018	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Preference Shares of ₹ 10/- each	1,80,00,000	1,800	1,80,00,000	1,800
		3,800		3,800
Issued and subscribed capital comprises:				
Fully paid equity shares of Rs 10 each.	1,60,00,000	1,600	1,60,00,000	1,600
Total Issued, Subscribed and fully Paid-up Share Capital		1,600		1,600

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

	As at 31st March, 2019		As at 31st March, 2018	
	Number	₹ Lakhs	Number	₹ Lakhs
Equity Shares				
At the beginning of the year	1,60,00,000	1,600	1,60,00,000	1,600
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,60,00,000	1,600	1,60,00,000	1,600

(ii) Terms/rights attached to Equity Shares

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

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

	As at 31st March, 2019		As at 31st March, 2018	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10/- each fully paid				
The Tata Power Company Limited, Holding Company	1,60,00,000	100%	1,60,00,000	100%

15. Other Equity

	As at 31st March, 2019	As at 31st March, 2018
	₹ Lakhs	₹ Lakhs
General Reserve		
Balance at the end of the period	1,355.00	1,355.00
Securities Premium Account		
Balance at the end of the period	2,089.50	2,089.50
Retained Earnings		
Balance at the beginning of the period	10,587.09	10,739.86
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(15.21)	35.04
Add: Profit for the period	3,689.76	1,499.17
Less: Payment of dividend on equity share ₹ 0.625 per share (Previous year ₹ 2.5 per share)	100.00	400.00
Less: Payment of interim dividend on equity share Nil per share (Previous year ₹ 6.25 per share)	-	1,000.00
Less: Tax on Dividend	18.58	286.98
Closing Balance	14,143.06	10,587.09
Deemed capital contribution from Holding company		
Balance at the end of the period	8.30	8.30
Total of Other Equity	17,595.86	14,039.89

Note:

1. In respect of the year ended 31st March, 2019, the directors have proposed a dividend of ₹ 15 per share to be paid on fully paid shares. This equity dividend is subject to approval at the annual general meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 24 crore.

16. Non-current Borrowings

(i) Secured - At Amortised Cost

(Restated-refer Note 24)	As at 31st March, 2019	31st March, 2018
	₹ Lakhs	₹ Lakhs
Term Loans from Banks		
Kotak Mahindra Bank	3,143.56	3,403.99
Less: Transferred to Current maturities of long term debt (refer Note 17)	(282.06)	(260.43)
Total	2,861.50	3,143.56

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

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

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

(iii) Security Terms

Exclusive charge over the moveable fixed assets of the project (ie., Wind & solar projects) and exclusive charge on project receivables.

(iv) Balance outstanding as at 31st March, 2019 is ₹. 3143.56 lakhs (31st March, 2018 - ₹. 3403.99 lakhs) of which ₹. 282.06 lakhs (31st March, 2018 - ₹. 260.43 lakhs) pertains to current maturities of long term borrowings. (see Note 17)

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

17. Other Financial Liabilities

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Current		
(a) Current Maturities of Long-term Debt (Refer note 16)	282.06	260.43
(b) Interest accrued but not due on Borrowings	23.90	25.09
(c) Other Payables		
Payables towards Purchase of Fixed Assets	-	44.19
Security Deposits from Customers	589.26	540.53
Security Deposits from Others	5.37	5.37
Total	900.59	875.61

18. Provisions

Accounting Policy

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

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

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

Onerous contracts

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

	As at 31st March, 2019 ₹ Lakhs	As at 31st March, 2018 ₹ Lakhs
Non-current		
Provision for Employee Benefits		
Compensated Absences	108.71	89.46
Gratuity	142.22	110.19
Post Employment Medical Benefit	8.92	6.00
Ex-Gratia and retirement gift	21.28	18.21
Hospitalisation in Service and long service award	23.88	22.14
Total Non-current Provisions	**305.01**	**246.00**
Current		
Provision for Employee Benefits		
Compensated Absences	4.12	3.46
Gratuity	2.65	1.82
Ex-Gratia and retirement gift	2.69	1.27
Hospitalisation in Service and long service award	1.63	1.45
Other Provisions		
Interim dividend	-	1,000.00
Interim dividend Tax	-	205.55
Total Current Provisions	**11.09**	**1,213.55**

19. Deferred Tax Liabilities (Net)

Accounting Policy

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

	As at 31st March, 2019	As at 31st March, 2018
	₹ Lakhs	₹ Lakhs
Deferred Tax Assets	301.23	536.01
Deferred Tax Liabilities	(1,448.85)	(1,459.02)
Total - Net Deferred Tax Liabilities	**(1,147.62)**	**(923.01)**

FY 18-19	Opening Balance	Recognised in Profit or loss	Utilised during the year	Recognised in other comprehensive	Closing balance
Deferred tax assets in relation to					
Allowance for Doubtful Debts, Deposits and Advances	231.15	(4.46)	-	-	226.69
Provision for Employee Benefits and Others	55.47	10.90	-	8.17	74.54
MAT Credit entitlement	249.39	-	(249.39)	-	-
	536.01	**6.44**	**(249.39)**	**8.17**	**301.23**
Deferred tax liabilities in relation to					
Property, Plant and Equipment	1,459.02	(10.17)	-	-	1,448.85
	1,459.02	**(10.17)**	-	-	**1,448.85**
Net Deferred Tax Liability	**923.01**	**(16.61)**	**249.39**	**(8.17)**	**1,147.62**

FY 17-18	Opening Balance	Recognised in Profit or loss	Utilised during the year	Recognised in other comprehensive	Closing balance
Deferred Tax Assets in relation to					
Allowance for Doubtful Debts, Deposits and Advances	274.08	(42.93)	-	-	**231.15**
Provision for Employee Benefits and Others	43.72	30.29	-	(18.54)	**55.47**
MAT Credit entitlement	222.58	26.81	-	-	**249.39**
	540.38	**14.17**	-	**(18.54)**	**536.01**
Deferred Tax Liabilities in relation to					
Property, Plant and Equipment	1,051.83	407.19	-	-	**1,459.02**
	1,051.83	**407.19**	-	-	**1,459.02**
Deferred Tax Liability	**511.45**	**393.02**	-	**18.54**	**923.01**

20. Other Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
	₹ Lakhs	₹ Lakhs
Current		
Statutory Liabilities	134.72	134.75
Advance payments received from Customers (refer note 9)	1,025.80	10,105.28
Other Liabilities	6.48	1.19
	1,167.00	10,241.22

21. Current Borrowings

	As at 31st March, 2019	As at 31st March, 2018
	₹ Lakhs	₹ Lakhs
Secured - At Amortised Cost		
From Banks		
Bank Overdraft (refer note 1 and 2 below)	14,266.01	2,375.05
	14,266.01	2,375.05

Security

1. Secured by a first charge by way of hypothecation of the Company's moveable including book-debts, bills, outstanding monies, receivables, both present and future ranking pari-passu with other participating banks except project receivables.
2. The weighted average effective interest rate on the bank loans is 8.34% per annum (as at 31 March, 2018: 7.34% per annum)

22. Trade payables

	As at 31st March, 2019	As at 31st March, 2018
	₹ Lakhs	₹ Lakhs
Trade payables (see note below)		
- Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 9)	34,506.24	23,141.31
- Total outstanding dues of micro enterprises & small enterprises	-	-
	34,506.24	23,141.31

Note:

i. The average credit period is up to 30 days for the company.

ii. Based on information available with the company, the balance due to micro, small enterprises as defined under the micro, small & medium enterprises development (MSMED) Act, 2006 is Rs Nil (31st March 2018 : Rs Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act 2006. The information provided by the company has been relied upon by the auditors.

23. Revenue from Operations

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services and specific criteria have been met for each of the Company's activities as described below.

i. **Sale of electricity**

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered. Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre determined rate. As the customer simultaneously receives and consumes the benefits of the Company's performance obligation, it best depicts the value to the customer and complete satisfaction of performance obligation.

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

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

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

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

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

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

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

ii. **Rendering of Services**

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

iii. **Delayed payment and compensation charges**

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

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

iv. **Dividend and Interest income**

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

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

		For Year ended 31st March, 2019 ₹ Lakhs		For Year ended 31st March, 2018 ₹ Lakhs	
(a)	**Revenue from Power Supply**		19,469.15		16,588.02
	(Less): Cash Discount		(350.69)		(260.72)
			19,118.46		**16,327.30**
(b)	**Revenue from Power Supply of agency nature**	4,06,896.29		3,54,803.67	
	(Less): Cash Discount	(3,279.30)	4,03,616.99	(3,025.94)	3,51,777.73
	(Less): Cost of power purchase of agency nature	4,03,327.09		3,51,218.48	
	(Less): Cash Discount	(6,219.85)	3,97,107.24	(5,875.95)	3,45,342.53
			6,509.75		**6,435.20**
i.	**Total Revenue from Power Supply**		**25,628.21**		**22,762.50**
ii.	**Other Operating Revenue**				
	(i) Income in respect of Services Rendered		114.55		52.64
	(ii) Liabilities no longer required written back		57.71		411.35
	(iii) Miscellaneous income		-		17.25
	(iv) Delayed Payment Charges recovered		29.81		16.01
	(v) Provision for Doubtful Debts and Advances written back (Net)		12.77		130.38
	(vi) Gain on Disposal of Property, Plant and Equipment (Net)		0.03		-
	(vii) Other income		380.74		409.25
			595.61		**1,036.88**
	Total Revenue from Operations		**26,223.82**		**23,799.38**

24. Ind AS 115 "Revenue from Contract with customers" supersedes Ind AS 18 "Revenue" and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

The Company has certain contracts with customers to arrange power for its customers. Before the adoption of Ind AS 115, the Company concluded that based on the existence of credit risk and the nature of the consideration in the contract, it has an exposure to the significant risks and rewards associated with the sale of power to its customers, and accounted for the contracts as if it is a principal. Upon the adoption of Ind AS 115, the Company determined that in certain contracts it does not control the goods before they are transferred to customers. Hence, in the contract where it does not have the ability to direct the use of the goods, the company recognises revenue as an agent. This change resulted in decreases in revenue from the sale of goods and cost of sales by an equivalent amount. There is, however, no impact in the statement of financial position as at April 01, 2017 and March 31, 2018.

The statement of profit or loss for the year ended March 31, 2018 has been restated, resulting in decreases in both Revenue from contracts with customers and Cost of sales of ₹ 345,342.53 lakhs.

Application of Ind AS 115 did not have any impact on the Balance sheet as at April 1, 2017 and March 31, 2018. Further it did not have any impact on the profit and earnings per share for the year ended March 31, 2018 and March 31, 2019.

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

26. **Disaggregation of Revenue**

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

	For Year ended 31st March, 2019 ₹ Lakhs	For Year ended 31st March, 2018 ₹ Lakhs
Revenue from Contracts with Customers	25,978.90	23,023.22
Less : Cash Discount	(350.69)	(260.72)
Total revenue as per contracted price	25,628.21	22,762.50
Other Operating revenue	595.61	1,036.88
Revenue from Operations	26,223.82	23,799.38

27. **Other Income**

	For Year ended 31st March, 2019 ₹ Lakhs	For Year ended 31st March, 2018 ₹ Lakhs
(a) **Gain on Investments**		
Gain on Current Investment measured at FVTPL-Mutual Funds	218.20	48.66
	218.20	**48.66**
(b) **Other Non-operating Income**		
Interest Income from fixed deposits	3.08	1.52
Other interest	9.90	1.78
	12.98	**3.30**
Total Other Income	231.18	51.96

30. Other Expenses

	For Year ended 31st March, 2019 ₹ Lakhs	For Year ended 31st March, 2018 ₹ Lakhs
Rental of Land, Buildings, Plant and Equipment, etc.	135.00	133.46
Insurance	22.53	1.75
Other Operation Expenses	140.43	139.96
Travelling and Conveyance Expenses	59.72	55.63
Consultants' Fees	161.15	270.95
Auditors' Remuneration	21.52	22.19
Cost of Services Procured	320.29	297.72
Bad Debts	14.31	17.39
Brand Equity Expenses	341.00	152.69
Amortisation of Advance Towards Leasehold Land	0.40	0.40
Decrease in fair valuation of investment	-	387.00
Legal Charges	52.20	49.44
Corporate Social Responsibility Expenses	42.99	55.05
Loss on Disposal of Property, Plant and Equipment (Net)	-	0.97
Miscellaneous Expenses	167.21	184.78
Total	1,478.75	1,769.38
Note: Payment to Statutory Auditors comprise (inclusive of GST)*		
- For Audit	13.55	13.48
- For Taxation matters	2.12	4.48
- For Other services	4.25	1.47
- For Reimbursement of expenses	1.60	2.76
Total	**21.52**	**22.19**

* Above auditor's remuneration also includes predecessor auditor fees of ₹. Nil (Previous year ₹ 5.85 Lacs) paid for limited review, other services and out of pocket expenses

31. Income taxes

Accounting Policy

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

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

i Income taxes recognised in the statement of profit and loss

₹ Lakhs

	For Year ended 31st March, 2019	For Year ended 31st March, 2018
Current tax		
In respect of the current year	2,044.66	601.50
In respect of the previous years	10.22	(66.66)
	2,054.88	**534.84**
Deferred tax		
In respect of the current year	(16.61)	419.83
MAT credit (entitlement)/utilised	-	(26.81)
Total Deferred tax expense	**(16.61)**	**393.02**
Total income tax expense	**2,038.27**	**927.86**

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

₹ Lakhs

	For Year ended 31st March, 2019	For Year ended 31st March, 2018
Profit before tax	5,728.03	2,427.03
Income tax expense calculated at 34.944% (2017-18: 34.608%)	2,001.60	839.95
Effect of expenses that are not deductible in determining taxable profit	18.28	162.27
Effect related to adjustment for previous years	10.22	(66.66)
Effect of items not reclassified to profit & loss account	8.17	(18.54)
Effect of change in tax rate	-	10.84
	2,038.27	927.86

The tax rate used for the financial years 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian income tax law.

iii. Income tax recognised in other comprehensive income

₹ Lakhs

Deferred tax	For Year ended 31st March, 2019	For Year ended 31st March, 2018
Remeasurements of defined benefit obligation	8.17	(18.54)
Total income tax recognised in other comprehensive income	8.17	(18.54)
Bifurcation of the income tax recognised in other comprehensive income into:		
- Item that will not be reclassified to profit or loss	8.17	(18.54)

32. Earnings per share

Accounting Policy

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

	For Year ended 31st March, 2019	For Year ended 31st March, 2018
Basic and Diluted earnings per share	23.06	9.37

Basic/ Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/ diluted earnings per share are as follows:

	For Year ended 31st March, 2019 ₹ Lakhs	For Year ended 31st March, 2018 ₹ Lakhs
Profit for the year attributable to owners of the company	3,689.76	1,499.17
Earnings used in the calculation of basic/ diluted earnings per share (₹ in Lakhs)	3,689.76	1,499.17

	For Year ended 31st March, 2019	For Year ended 31st March, 2018
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share.	1,60,00,000	1,60,00,000

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

33. Segment information

The Company is mainly engaged in the business of trading of electricity in India (Principal or agency basis). 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.

34. Related party disclosures

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

Controlling entity (CE):

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

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

(i) Tata Power Delhi Distribution Limited (TPDDL)
(ii) Maithon Power Limited (MPL)
(iii) Tata Power Solar Systems Limited (TPSS)
(iv) Tata Power Renewal Energy Limited (TPREL)
(v) Costal Gujrat Power Limited (CGPL)
(vi) Walwhan Renewable Energy Limited (WREL)
(vii) Walwhan Solar Kannada Private Limited (WSKPL)
(viii) Vagarai Windfarms Limited (VWFL)
(ix) Powerlinks Transmission Limited (PTL)
(x) Clean Sustainable Solar Energy Pvt. Ltd. (CSSEL)

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

(i) Dagachhu Hydro Power Corporation Ltd (DHPC)
(ii) Tata Communications Ltd (TCL)

Key Management Personnel (KMP)

(i) Sanjeev Mehra, Managing Director
(ii) Amey Naik, Company Secretary till 31st July and CFO till 30th June 2018.
(iii) Suranjit Mishra, Chief Financial Officer (wef from 1st July 2018)
(iv) Neha Malik Company Secretary (wef from 1Aug 2018)

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(b) Transaction / balances outstanding with related parties

₹ Lakhs

Particulars	CE	Fellow subsidiaries											Associates of CE		KMP	Total
	TPCL	TPDDL	MPL	TPSS	TPREL	CGPL	PTL	VWFL	WREL	WSKPL	CSSEL	Sub-total	DHPC	TCL		
(i) Details of transactions during the year ended 31st March, 2019																
Revenue from power supply and rendering services*	-	1,10,932.82	-	381.36	-	-		28.87	2.12	0.36	2.81	1,11,348.35	-	-	-	1,11,348.35
	-	70,262.48	-	890.18	1.53	-		4.97	1.77	0.30	-	71,161.23	-	139.15	-	71,300.38
Cash discount allowed	-	1,683.94	-	-	-	-		-	-	-	-	1,683.94	-	-	-	1,683.94
	-	1,030.17	-	-	-	-		-	-	-	-	1,030.17	-	-	-	1,030.17
Revenue from sale of REC cert and other services	91.18	-	-	-	-	-		-	-	-	-	-	-	-	-	91.18
	15.25	-	-	-	-	-		-	-	-	-	-	-	-	-	15.25
Cost of power purchased	27,018.32	1,531.87	1,53,633.18	-	-	-		-	-	-	-	1,55,165.05	12,341.73	-	-	1,94,525.10
	19,203.67	-	1,05,227.25	-	-	-		-	-	-	-	1,05,227.25	12,693.07	-	-	1,37,123.99
Cash discount earned	469.31	30.64	3,575.54	-	-	-		-	-	-	-	3,606.17	246.83	-	-	4,322.31
	348.29	-	3,180.72	-	-	-		-	-	-	-	3,180.72	253.86	-	-	3,782.87
Managerial remuneration (see note 2 below)	-	-	-	-	-	-		-	-	-	-	-	-	-	236.67	236.67
	-	-	-	-	-	-		-	-	-	-	-	-	-	213.06	213.06
Receiving of services	391.91	-	-	34.14	-	-		-	-	-	-	34.14	-	-	-	426.05
	417.27	-	-	27.16	-	-		-	-	-	-	27.16	-	-	-	444.43
Reimbursement of expenses-Paid	316.84	5.20	124.13	-	-	-		-	-	-	-	129.33	-	-	-	446.17
	36.58	94.33	47.27	-	-	-		-	-	-	-	141.60	-	-	-	178.18
Reimbursement of expenses-Recovered	967.63	1,348.95	-	42.64	-	1.28		-	-	-	-	1,392.87	1,285.95	-	-	2,360.50
	1,054.43	1,133.17	164.00	102.54	-	-		-	-	-	-	1,399.71	1,460.20	-	-	2,454.14
Purchase of property, plant and equipment	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
	0.03	-	-	-	-	-		-	-	-	-	-	-	-	-	0.03
Sale of property, plant and equipment	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
	0.97	-	-	-	-	-		-	-	-	-	-	-	-	-	0.97
Interest earned on Inter corporate deposit given	9.90	-	-	-	-	-		-	-	-	-	-	-	-	-	9.90
	1.78	-	-	-	-	-		-	-	-	-	-	-	-	-	1.78
Interest paid on Inter corporate deposit given	15.63				28.08		15.08		7.97		-	51.14	-	-		66.77
	1.30										-	-	-	-		1.30
Inter corporate deposit given	9,000.00	-	-	-	-	-		-	-	-	-	-	-	-	-	9,000.00
	4500.00	-	-	-	-	-		-	-	-	-	-	-	-	-	4,500.00
Inter corporate deposit received back	9,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,000.00
	4500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500.00
Inter corporate deposit taken	10,000.00	-	-	-	14,000.00	-	5,000.00	-	5,500.00	-	-	24,500.00	-	-	-	34,500.00
	7,500.00	-	-	-	-	-		-	-	-	-	-	-	-	-	7,500.00
Inter corporate deposit repaid	10,000.00	-	-	-	14,000.00	-	5,000.00	-	5,500.00	-	-	24,500.00	-	-	-	34,500.00
	7,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500.00
Deposits taken	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-		-	1.56	0.27	-	1.83	-	-	-	1.83
Dividend paid	1,100.00	-	-	-	-	-		-	-	-	-	-	-	-	-	1,100.00
	1,400.00	-	-	-	-	-		-	-	-	-	-	-	-	-	1,400.00

Notes:

1 Figures in italics stated in serial no. (b) pertain to year ended 31st March, 2018

2 Managerial remuneration for KMP excludes provision for leave encashment and gratuity, as separate figures for KMP is not available

* Represents gross agency revenue / cost

(c) Transaction / balances outstanding with related parties

₹ Lakhs

Particulars	CE	Fellow subsidiaries										Associates of CE			Total
	TPCL	TPDDL	MPL	TPSS	TPREL	CGPL	VWFL	WREL	WSKPL	CSSEL	Sub-total	DHPC	TCL	Sub-total	
(ii) Balance outstanding															
Trade receivables															
As at 31.03.2019	54.19	21,649.50	328.92	1.74	0.22	1.28	8.69	0.71	0.11	0.24	21,991.41	12.10	1.06	13.16	22,058.76
As at 31.03.2018	*34.84*	*319.25*	*13,677.86*	*18.52*	*0.36*	-	*3.25*	*0.35*	*0.04*	-	*14,019.63*	*40.00*	*1.06*	*41.06*	*14,095.53*
Security Deposit payable															
As at 31.03.2019	-	-	-	1.25	-	-	-	1.53	0.27		3.05				3.05
As at 31.03.2018	-	-	-	-	-	-	-	1.56	0.27		*1.83*				*1.83*
Trade payables															
As at 31.03.2019	2,680.10	219.99	12,912.93	48.79	-	-	-	-	-		13,181.72				15,861.82
As at 31.03.2018	*1,811.03*	*9,713.39*	*172.28*	*27.16*	-	-	-	-	-		*9,912.83*				*11,723.86*
Dividend Payable															
As at 31.03.2019	-	-	-	-	-	-	-	-	-		-				-
As at 31.03.2018	*1000.00*	-	-	-	-	-	-	-	-		-				*1,000.00*

*Represents gross agency revenue receivable / payable

35. Categories of financial instrument

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

	Carrying value		Fair Value	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Financial assets				
Cash and Cash Equivalents	8.24	4.93	8.24	4.93
Other Balances with banks	-	91.36	-	91.36
Trade Receivables	56,608.78	14,749.32	56,608.78	14,749.32
Unbilled Revenues and agency receivable	11,580.96	19,523.71	11,580.96	19,523.71
Other financial assets	1,193.64	17,977.58	1,193.64	17,977.58
Total	69,391.62	52,346.90	69,391.62	52,346.90
Financial liabilities				
Trade Payables	34,506.24	23,141.31	34,506.24	23,141.31
Floating rate borrowings*	3,167.46	3,429.08	3,167.46	3,429.08
Other financial liabilities	594.63	590.09	594.63	590.09
	38,268.33	27,160.48	38,268.33	27,160.48

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

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

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

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

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2019 and 31st March 2018 are as shown below:

Description of significant unobservable inputs to valuation:

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

The discount for lack of marketability represents the amount that the company has determined that market participants would take into account when pricing the investments.

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

₹ Lakhs

Particulars	31st March 2019	31st March 2018
Opening balance	-	387.00
Decrease in fair value of investment at FVTPL	-	(387.00)
Closing balance	-	-

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35.2 Fair value hierarchy

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

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes and investment in redeemable non-cumulative preference shares and equity shares.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

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

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

		Fair value hierarchy as at 31st March, 2018			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Asset measured at fair value					
FVTPL financial investments					
Investment in equity shares of Power Exchange India Limited	27th April, 2017	-	-	-	-
Investment in preference shares of Tata Ceramics Limited	21st March, 2018	-	-	-	-
		-	-	-	-
Liabilities for which fair values are disclosed					
Floating rate borrowings		-	3,403.99	-	3,403.99
Total		-	**3,403.99**	-	**3,403.99**

35.3 Capital Management and Gearing Ratio

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

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

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

Gearing ratio

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

₹ Lakhs

	31st March, 2019	31st March, 2018
Debt (i)	17,409.57	5,779.04
Less: Cash and Bank balances	8.24	96.29
Net debt	17,401.33	5,682.75
Total Capital (ii)	19,195.86	15,639.89
Capital and net debt	**36,597.19**	**21,322.64**
Net debt to Total Capital plus net debt ratio (%)	47.55	26.65

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

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

The Company has been monitoring Net debt to Total Capital plus net debt ratio during the year as against Net debt to equity ratio monitored in the previous year. However, there is no change in the overall objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March 2018.

35.4 Financial risk management objectives and policies

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt as at 31st March, 2019. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

Interest rate risk management

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

Interest rate sensitivity:
The sensitivity analysis below have been determined based on exposure to interest rates for term loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates.
If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹ Lakhs

	As of 31st March, 2019		As of 31st March, 2018	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	15.72	(15.72)	18.18	(18.18)
Effect on profit before tax	(15.72)	15.72	(18.18)	18.18

Price Risk

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

The carrying amount of the Company's investment designated as at fair value through profit or loss at the end of the reporting period is ₹ Nil (31st March, 2018 ₹ Nil).

Accordingly, for the year ended 31st March, 2019 and 31st March, 2018 every 0.50 percentage increase /decrease in the value of investments, will affect the Company's profit before Tax by ₹ Nil and ₹ Nil respectively

Credit risk management

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

	31st March, 2019	31st March, 2018
Trade receivables	56,608.78	14,749.32
Other financial assets	1,193.64	17,977.58
Total	**57,802.42**	**32,726.90**

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

Liquidity risk management

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

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

₹ Lakhs

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2019					
Non-Derivatives					
Borrowings*	14,571.97	1,392.19	1,469.30	17,433.46	17,433.46
Interest on above borrowings	269.09	787.89	244.14	1,301.12	-
Trade Payables	34,506.24	-	-	34,506.24	34,506.24
Other Financial Liabilities	594.63	-	-	594.63	594.63
Total Non-Derivative Liabilities	**49,941.93**	**2,180.08**	**1,713.44**	**53,835.45**	**52,534.33**
31st March, 2018					
Non-Derivatives					
Borrowings*	2,660.57	1,290.58	1,852.98	5,804.13	5,804.13
Interest on above borrowings	280.17	867.40	375.58	1,523.15	-
Trade Payables	23,141.31	-	-	23,141.31	23,141.31
Other Financial Liabilities	590.09	-	-	590.09	590.09
Total Non-Derivative Liabilities	**26,672.14**	**2,157.98**	**2,228.56**	**31,058.68**	**29,535.53**

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

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

Financing facilities

₹ Lakhs

	31st March, 2019	31st March, 2018
Secured Long term facility with various maturity dates through to 16th April, 2028.		
Amount used	3,143.56	3,403.99
Amount unused	-	300.00
Secured bank overdraft and other loan facilities		
Amount used	14,266.01	2,375.05
Amount unused	13,417.99	30,680.95

36. Employee benefit plan

Accounting Policy

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 ₹ 38.69 Lakhs (for the year ended 31st March, 2018 ₹ 35.69 Lakhs) and represents contribution payable to the Employee Provident Fund.

As at 31st March, 2019, contribution of ₹ 9.08 Lakhs (as at 31st March, 2018 ₹ 9.39 Lakhs) due in respect of FY 2018-19 (FY 2017-18) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

Defined benefit plan

The Company operates the following unfunded defined benefit plans:

Post Employment Medical Benefits

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

Ex-Gratia Death Benefit

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

Retirement Gift

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

Gratuity

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

Pension Benefits

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

Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are:

Investment risk:

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

Interest risk (discount rate risk):

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

Mortality risk:

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

Salary risk:

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

Demographic risk

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

Withdrawals

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

Principal actuarial assumptions for all the unfunded

	As at 31-Mar-19	As at 31-Mar-18
Discount rate (p.a.)	7.40%	7.70%
Expected rate of salary increase (p.a.) - Management	7.00%	7.00%
Expected rate of salary increase (p.a.) - Non-Management	5.00%	-

Note:

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

Demographic assumptions:

	As at 31-Mar-19	As at 31-Mar-18
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate (p.a.) (age 21 to 44 years)	2.50%	2.50%
Withdrawal rate (p.a.) (above 45 years of Age)	1.00%	1.00%

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

₹ in Lakhs

	As at 31-Mar-19	As at 31-Mar-18
Service Cost		
Current Service cost	23.96	22.89
Past Service cost	0.53	42.00
Net interest expense	10.15	10.29
Component of defined benefit costs recognized in profit or loss	**34.64**	**75.18**
Remeasurement on the net defined benefit liability :		
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	25.16
Actuarial (Gains)/losses arising from changes in financial assumptions	7.25	(31.33)
Actuarial (Gains)/losses arising from experience adjustment	16.13	(47.41)
Components of defined benefit costs recognized in other comprehensive income	**23.38**	**(53.58)**
Total	**58.02**	**21.60**

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 Lakhs

Particulars	As at 31-Mar-19	As at 31-Mar-18
Present value of funded defined benefit obligation	(177.75)	(137.49)
Fair value of plan assets	-	-
Funded status (deficit)	**(177.75)**	**(137.49)**

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

₹ in Lakhs

	As at 31-Mar-19	As at 31-Mar-18
Opening defined benefit obligations	137.49	120.99
Service cost	24.49	64.89
Interest cost	10.15	10.29
Acquisition credit/(cost)	(5.29)	-
Actuarial losses arising from changes in demographic assumptions	-	25.16
Actuarial (gains)/losses arising from changes in financial assumptions	7.25	(31.33)
Actuarial gains arising from experience adjustment	16.13	(47.41)
Benefits paid	(12.47)	(5.10)
Closing defined benefit obligation	**177.75**	**137.49**

Sensitivity Analysis

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

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	13.19	(11.82)	11.98	(10.66)
(% change compared to base due to sensitivity)	(7.42%)	6.65%	(8.71%)	7.75%
Growth Rate (-/+0.5%)	(9.10)	12.65	(10.39)	11.56
(% change compared to base due to sensitivity)	5.12%	(7.11%)	7.55%	(8.41%)
Mortality Rate (-/+1 year)	-	0.43	-0.28	0.28
(% change compared to base due to sensitivity)	0.00%	(0.24%)	0.20%	(0.20%)
Withdrawal Rate (-/+5%)	0.43	(26.44)	5.68	(22.37)
(% change compared to base due to sensitivity)	(0.24%)	14.87%	(4.13%)	16.27%

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

(₹ in Lakhs)

	31-Mar-19	31-Mar-18
Within 1 Year	5.53	3.21
Between 1 - 2 years	37.44	3.89
Between 2 - 3 years	4.37	22.34
Between 3 - 4 years	5.22	5.12
Between 4 - 5 years	6.22	6.11
Beyond 5 Years	48.61	49.68
	107.39	**90.35**

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

37. **Contingent Liabilities**
The Company does not have any pending litigations which would impact its financial position.

38. **Capital Commitments**
As on reporting date there are no capital commitment.

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

40. **Corporate Social Responsibility**
Gross amount required to be spent by the Company during the year ended 31st March, 2019: ₹ 42.87 Lakhs (Previous year ₹ 54.81 Lakhs).
Amount spent during the year ended 31st March, 2019 ₹ 42.99 Lakhs (Previous year ₹ 55.05 Lakhs).

₹ in Lakhs

	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	41.05	1.94	42.99
	(55.05)	(-)	(55.05)
iii) Details of related party transaction			
- Contribution during the year ended 31st March, 2019	-	-	-
	(-)	(-)	(-)
- Payable as at 31st March, 2019	-	-	-
	(-)	(-)	(-)

* Figure in brackets pertain to the previous year

Tata Power Trading Company Limited
Notes to the financial statements

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

42. **Approval of financial Statements**
The Financial Statements for the year ended March 31, 2019 were approved by board of directors and authorised for issue on April 16, 2019

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

per Sanjeev Kumar Singhal
Partner
Membership No. 95377

Place: New Delhi
Date: 16th April, 2019

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

Sanjeev Mehra
Managing Director
DIN - 02626778

Ashok S Sethi
Chairman
DIN - 01741911

Suranjit Mishra
Chief Financial Officer

Neha Malik
Company Secretary

Place: Mumbai
Date: 16th April, 2019

PARIKH & ASSOCIATES
COMPANY SECRETARIES

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FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Tata Power Trading Company Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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 made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the audit period)

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

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

PARIKH & ASSOCIATES MUMBAI COMPANY SECRETARIES

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

(c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

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

a. The Electricity Act, 2003 and Central Electricity Regulatory Commission (Procedure, Terms and Conditions of grant of trading licence and related matters) Regulations, 2009
b. The Electricity Act, 2003 and The Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010
c. The Electricity Act, 2003 and The Central Electricity Regulatory Commission (Power Market) Regulations, 2010
d. The Electricity Act, 2003 and The Electricity Rules, 2005

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

Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

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

PARIKH & ASSOCIATES * MUMBAI * COMPANY SECRETARIES

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 was 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.

Decisions at the Board Meetings were taken unanimously.

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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: April 16, 2019

PARIKH & ASSOCIATES MUMBAI COMPANY SECRETARIES

Signature: Sarvari

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717

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

'Annexure A'

To,
The Members
Tata Power Trading Company Limited

Our report of even date is to be read along with this letter.

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

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

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

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

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

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

PARIKH & ASSOCIATES * MUMBAI * COMPANY SECRETARIES

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: April 16, 2019

Signature:
Sarvari Shah
Partner
FCS No: 9697 CP No: 11717