

MAITHON POWER LIMITED

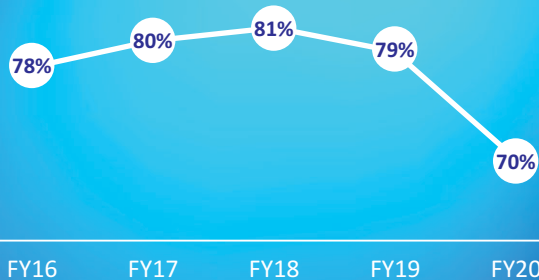
(a Joint venture of Tata Power & DVC)



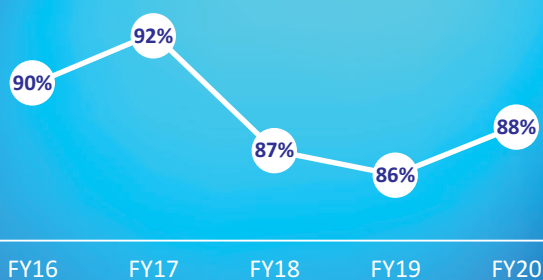
20th Annual Report 2019-20



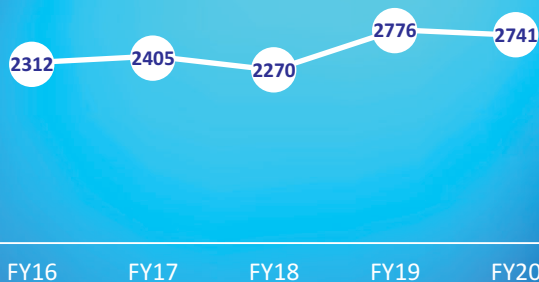
PLF



Plant Availability



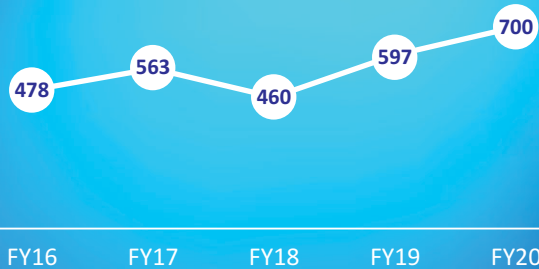
Revenue (₹Cr)



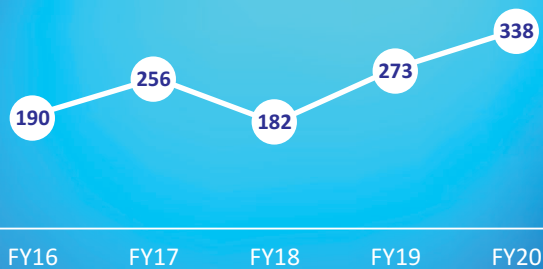
EBITDA (₹Cr)



Cash Profit (₹Cr)



PAT (₹Cr)



CORPORATE INFORMATION

Corporate Identity Number (CIN)	U74899MH2000PLC267297
Board of Directors	<ul style="list-style-type: none"> ● ● Mr. Ramesh Subramanyam, <i>Chairman</i> ● ● Mr. Krishnava Dutt ● ● Mr. Ashok Sinha ● ● Ms. Rita Sinha ● ● Mr. Anand Agarwal ● ● Mr. Vijay Namjoshi ● ● Mr. Suvamay Halder ● ● Mr. Mahesh Mishra ● Non Executive ● Non Independent ● Independent
Executive	Mr. Ramesh Jha, Chief Executive Officer Mr. Satish Kumar, Chief Financial Officer Ms. Poonam Shirke, Company Secretary
Statutory Auditors	M/s. S.R. Batliboi & CO. LLP
Cost Auditors	M/s. Sanjay Gupta & Associates
Debenture Trustees	SBI CAP Trustee Company Limited 6th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai. Tel. No. : +91 22 4302 5555 Fax No. : +91 22 2204 0465
Registrar and Transfer Agent	TSR Darashaw 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel No. : +91 22 6656 8484 Fax No. : + 91 22 66568494 Email: nnair@tsrdarashaw.com
Bankers	State Bank of India Kotak Mahindra Bank Limited HDFC Bank Axis Bank
Registered Office	Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India. Tel No.: (022) 6717 1232 / 6717 1255 Website: www.tatapower.com/mpl
Plant	Village Dambhui, P.O. Barbindia, P.S. Nirsa, District Dhanbad - 828 205, Jharkhand, India. Tel No.: +91 70336 99446 Fax No.: 022 3916 7038

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Annual General Meeting

Date : Friday, 28th August 2020
Time : 11.30 a.m.
Venue : through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"),
at C/o The Tata Power Company Limited,
Corporate Centre, B Block, 34 Sant Tukaram Road,
Carnac Bunder, Mumbai 400 009

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF MAITHON POWER LIMITED will be held on Friday, the 28th day of August 2020 at 11:30 a.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), at C/o The Tata Power Company Limited, Corporate Centre, B Block, 34 Sant Tukaram Road, Carnac Bunder, Mumbai 400 009 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend on Equity Shares for the financial year 2019-20
3. To appoint a Director in place of Mr. Suvamay Halder (DIN 08293500), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:**4. Appointment of Mr. Ramesh Subramanyam as a Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Ramesh Subramanyam (DIN 02421481), who was appointed as an Additional Director of the Company with effect from 2nd August 2019 by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

5. Appointment of Mr. Vijay Namjoshi as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Vijay Namjoshi (DIN 08626492), who was appointed as an Additional Director of the Company with effect from 1st February 2020 by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

6. Appointment of Mr. Krishnava Dutt as an Independent Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that Mr. Krishnava Dutt (DIN 02792753), who was appointed as an Additional (Independent) Director of the Company with effect from 21st March 2020 by the Board of Directors pursuant to Section 161 read with Section 149 of the Companies Act, 2013 (the Act) and Rules made thereunder and who holds office upto the date of this Annual General Meeting of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the appointment of Mr. Krishnava Dutt, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years commencing from 21st March 2020 upto 20th March 2023 (both days inclusive), be and is hereby approved.

7. Appointment of Mr. Ashok Sinha as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Ashok Sinha (DIN 00070477), who was appointed as an Additional (Independent) Director of the Company with effect from 23rd March 2020 by the Board of Directors pursuant to Section 161 read with Section 149 of the Companies Act, 2013 (the Act) and Rules made thereunder and who holds office upto the date of this Annual General Meeting of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory

modification(s) or re-enactment(s) thereof for the time being in force], the appointment of Mr. Ashok Sinha, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years commencing from 23rd March 2020 upto 22nd March 2023 (both days inclusive), be and is hereby approved.

8. Appointment of Ms. Rita Sinha as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Ms. Rita Sinha (DIN 05169220), who was appointed as an Additional (Independent) Director of the Company with effect from 23rd March 2020 by the Board of Directors pursuant to Section 161 read with Section 149 of the Companies Act, 2013 (the Act) and Rules made thereunder and who holds office upto the date of this Annual General Meeting of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the appointment of Ms. Rita Sinha, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years commencing from 23rd March 2020 upto 22nd March 2023 (both days inclusive), be and is hereby approved.

9. Appointment of Mr. Mahesh Mishra as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Mahesh Mishra (DIN 08770189), who was appointed as an Additional Director of the Company with effect from 23rd June 2020 by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company

10. Ratification of Cost Auditors' Remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactments(s) thereof for the time being in force], the Company hereby ratifies the remuneration of ₹ 2.40 lakh per annum plus GST and out of pocket expenses payable to M/s Sanjay Gupta & Associates, who are appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2020-21.

NOTES:

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos.4 to 10 above and the relevant details of the Directors seeking re-appointment/appointment as set out in Item Nos. 4 to 9 above as required under Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
- (b) In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a prerequisite and pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the 20th AGM of the Company is being conducted through VC/OAVM facility which does not require physical attendance of the Members at a common venue. The deemed venue for the AGM shall be the registered office of the Company.
- (c) In terms of Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, since the physical attendance of members has been dispensed with, the facility of appointment of proxies by members under section 105 of the Act will not be available for this AGM. However, in pursuance of section 112 and section 113 of the Act, authorised representatives of the members may be appointed for the purpose of participation and voting in the AGM through VC/OAVM.
- (d) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

- (e) Pursuant to the MCA circulars, in view of the prevailing situation, owing to the difficulties involved in despatching physical copies, the notice of the 20th AGM are being sent only by email to the members at their email addresses registered with the Company.
- (f) The Members can join the AGM through VC/OAVM facility which shall be kept open for the members from 11.15 a.m i.e 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time to start of the AGM.
- (g) The attendance of the Members attending the 20th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at poonam.shirke@tatapower.com
- (h) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020.
- (i) Corporate Members are required to send scanned Copy (PDF/JPG Format) of its Board Resolution authorizing its representative to attend and vote at the Annual General Meeting (AGM) through VC / OAVM on its behalf.
- (j) In case of a demand for a poll, the members shall cast their vote on the resolutions only by sending emails through their email addresses that are registered with the Company. The said emails to be sent to poonam.shirke@tatapower.com
- (k) Instructions for members participating in the 20th AGM through VC/OAVM facility are as under:
 - Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. Members are encouraged to join the Meeting through Laptops for better experience.
 - In case of Android/Iphone connection, participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
 - Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
 - Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - The helpline number for joining the Meeting through electronic mode will be provided in the meeting invitation which will be sent to the eligible applicants.
- (l) Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
- (m) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

Mumbai, 3rd August 2020

Registered Office:

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009.
CIN: U74899MH2000PLC267297
Tel: 91 22 6717 1232
Website: www.tatapower.com/mpl

By Order of the Board of Directors,
For **Maithon Power Limited**

Poonam Shirke
Company Secretary
ACS No: 50297

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.4 to 10 of the accompanying Notice dated 3rd August 2020:

Item No.4: Based on the nomination received from The Tata Power Company Limited (Tata Power), Mr. Ramesh Subramanyam, was appointed as an Additional Director of the Company with effect from 2nd August 2019 pursuant to Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, by the Board of Directors vide Resolution dated 2nd August 2019.

In terms of Section 161(1) of the Act, Mr. Subramanyam holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as a Director.

Mr. Subramanyam is a graduate in Commerce from Nagpur University. He is a member of the Institute of Cost Accountants of India and Institute of Company Secretaries of India. He has also passed the CPA (Certified Public Accountants) examination of the American Institute of Certified Public Accountants (AICPA).

He has more than 27 years of experience in diverse organisations like Lloyds Steel Limited, Hindustan Unilever Limited, Monsanto India Limited and Siemens AG. After joining Tata Power in 2007 he has held various positions within Tata Power. He was Chief Financial Officer for Coastal Gujarat Power Limited (Mundra UMPP), Chief of Finance and Accounting for Indian Subsidiaries of Tata Power and Group Financial Controller of Tata Power before being appointed as CFO of Tata Power in 2014. He is on the Board of several companies of the Tata Group in India and overseas. He is the Chairman of the National CFO Committee and member of the Committee on Economic Affairs of the Confederation of Indian Industry.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company.

Accordingly, the Board commends the Ordinary Resolution as set at Item No. 4 of the accompanying Notice in relation to the appointment of Mr. Subramanyam.

Other than Mr. Ramesh Subramanyam, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 of the accompanying Notice.

Mr. Subramanyam is not related to any other Director or KMP of the Company.

Item No.5: Based on the nomination received from The Tata Power Company Limited (Tata Power), Mr. Vijay Namjoshi, was appointed as an Additional Director of the Company with effect from 1st February 2020 pursuant to Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, by the Board of Directors in its meeting held on 11th January 2020.

In terms of Section 161(1) of the Act, Mr. Namjoshi holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as a Director.

Mr. Namjoshi, aged 57 years, is a Bachelor of Mechanical Engineering from Sardar Patel College of Engineering, Mumbai. Mr. Namjoshi joined the Tata Power in the year 1983 as a Graduate Engineer Trainee and has worked for more than 34 years in various functions/divisions of the Company like Trombay MMD, ERP- Maithon-Mechanical, Special projects in O&M etc. He also held the position of Chief - Jojobera. He is presently occupying the position of Chief Executive Officer of Coastal Gujarat Power Limited, wholly owned subsidiary of Tata Power since April 1, 2019.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company.

Accordingly, the Board commends the Ordinary Resolution as set at Item No. 5 of the accompanying Notice in relation to the appointment of Mr. Vijay Namjoshi.

Other than Mr. Vijay Namjoshi, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 of the accompanying Notice.

Mr. Vijay Namjoshi is not related to any other Director or KMP of the Company.

Item No.6 to 8: In terms of Section 149 of the Act read along with the Companies (Appointment and Qualifications of Directors) Rules, 2014, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members, the Board at its meeting held on 16th March 2020, appointed Mr. Krishnav Dutt, Mr. Ashok Sinha and Ms. Rita Sinha as an Additional (Independent) Director of the Company for a period of three years.

The above Independent Directors have given a declaration to the Board that they meet the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

Mr. Krishnava Dutt: The experience of Mr. Dutt encompasses the entire repertoire of corporate practice including mergers and acquisitions, private equity, banking and finance, projects and project finance. Mr. Dutt has closely worked with several large corporate groups, investors, private equity funds and renowned banks and financials in several transactions including disinvestments of PSUs and framing of policies. He has also been the legal advisor to the Public Enterprises Department of Government of Orissa for its restructuring initiative of Government of Orissa undertakings.

Mr. Dutt started his legal career in the Calcutta High Court where he practiced civil law. After a short stint at High Court, he joined ICICI Bank in Mumbai where he gained several years of experience in handling transactions in the stressed assets space and international banking sector. He joined Amarchand & Mangaldas & Suresh A. Shroff & Co. in 2005 and became the partner in charge of the eastern operations of the firm in the year 2007. He stepped out from Amarchand & Mangaldas & Suresh A. Shroff & Co. in June 2009. Mr. Dutt is currently the Managing Partner of Argus Partners.

Mr. Dutt also holds directorship in Tata Metaliks Limited, Balrampur Chini Mills Limited, Tata Steel BSL Limited, Macmet Engineering Limited and TRF Limited.

Mr. Ashok. Sinha has a B.Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur (1973) and PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialisation in Finance (1977). He has been conferred the Distinguished Alumnus Award from both IIT, Kanpur and IIM, Bangalore. He has been conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from TMG (Technology Media Group) for Customer Management.

He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005.

Since 2011, he has served on the Boards of Petronet LNG Ltd., CMC Ltd. (erstwhile subsidiary of Tata Consultancy Services Ltd.), four subsidiaries of Vodafone India Ltd., Tata Advanced Systems Ltd., Tata Lockheed Martin Aerostructures, and Nova Integrated Systems. Currently, he is an independent director on the board of Cipla Ltd., Axis Asset Management Co., You Broadband and Air Asia India Ltd.

Ms Rita Sinha aged 70 years, is an M.A. in Geography from Punjab University, Chandigarh. She retired from the I.A.S. in July 2010 from the post of Secretary to the Government of India, Department of Land Resources, and Ministry of Rural Development. She has held several assignments both in the Central and State Governments in a career spanning almost 38 years. Ms. Sinha has been a Director on the Power Grid Corporation of India Ltd. from 2011 till 2014. Currently, she is an Independent Director on the Board of Powerlinks Transmission Limited and Prayagraj Power Generation Company Limited.

Having regard to the qualifications, experience and knowledge, the Board considers that their association would be of immense benefit to the Company.

Accordingly, the Board commends the Special Resolution as set at Item No. 6 and Ordinary Resolution as set at Item No 7 and 8 of the accompanying Notice in relation to the appointment of Mr. Krishnava Dutt, Mr. Ashok Sinha and Ms. Rita Sinha as Independent Directors for a period of three years.

Except Mr. Krishnava Dutt, Mr. Ashok Sinha and Ms. Rita Sinha, none of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 6 to 8 of the accompanying Notice. Mr. Dutt, Mr. Sinha and Ms. Sinha are not related to any other Director or KMP of the Company.

Item No. 9: Based on the nomination received from Damodar Valley Corporation (DVC),

Mr. Mahesh Mishra, was appointed as an Additional Director of the Company with effect from 23rd June 2020 pursuant to Section 161(1) of the Act and Article 88 of the Articles of Association of the Company, by the Board of Directors vide Resolution dated 23rd June 2020.

In terms of Section 161(1) of the Act, Mr. Mishra holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as a Director.

Mr. Mahesh Mishra, aged 59 years, holds a degree in B.Sc Engineering (Mechanical) from Birsa Institute of Technology, Sindri. He joined Damodar Valley Corporation in the year 1984 as a Graduate Engineer Trainee and since then has continued in the organization and served in various capacities in the thermal business. Presently, Mr. Mishra is serving as Executive Director (Operations) and is in charge of thermal plants having capacity of 7090 MW and Hydel power stations having capacity of 147 MW.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company.

Accordingly, the Board commends the Ordinary Resolution as set at Item No. 9 of the accompanying Notice in relation to the appointment of Mr. Mahesh Mishra.

Other than Mr. Mahesh Mishra, none of the Directors or KMP of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 9 of the accompanying Notice.

Mr. Mahesh Mishra is not related to any other Director or KMP of the Company.

Item No.10: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of M/s Sanjay Gupta & Associates as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2020-21, at a remuneration of ₹ 2.40 lakh/- plus taxes and actual out-of-pocket expenses.

M/s Sanjay Gupta & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year.

The Board commends the Resolution at Item No.10 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice.

Mumbai, 3rd August 2020

By Order of the Board of Directors,
For **Maithon Power Limited**

Registered Office:

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009.
CIN: U74899MH2000PLC267297
Tel: 91 22 6717 1232
Website: www.tatapower.com/mpl

Poonam Shirke
Company Secretary
ACS No: 50297

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Suvamay Halder	Mr. Ramesh Subramanyam
Date of Birth	5 th December 1960	27 th June 1969
Date of first Appointment	4 th December 2018	2 nd August 2019
Qualifications	B.Com, CA	B.Com, CA, CS, CPA
Relationship with other Directors & KMP of the Company	Nil	Nil
Expertise in specific functional areas	<p>Mr. Suvamay Halder, joined Damodar Valley Corporation as Member (Finance) on 11th July 2017. He is a fellow member of the Institute of Chartered Accountants of India and has rich experience of three decades in the field of Accounts, Finance and Taxation.</p> <p>Char</p> <p>Prior to DVC, Mr. Halder was working with Bharat Heavy Electricals Limited (BHEL) and held charge as the Head of the Finance and Accounts Department of Power sector - Eastern Region. He accomplished various assignments during his career in BHEL, which includes efficient working capital management, taxation matters, budgeting and budgetary control, DGFT claims, financial concurrences, finalization of accounts, efficient handling of project finance and accounts.</p> <p>Prior to BHEL, he worked with Heavy Engineering Corporation, Ranchi for around 8 years in Corporate Books and Budget Department. He has also worked with Price Waterhouse & Company, Kolkata.</p>	<p>Mr. Ramesh Subramanyam has more than 27 years of experience in diverse organisations like Lloyds Steel Limited, Hindustan Unilever Limited, Monsanto India Limited and Siemens AG. After joining Tata Power in 2007 he has held various positions within Tata Power. He was Chief Financial Officer for Coastal Gujarat Power Limited (Mundra UMPP), Chief of Finance and Accounting for Indian Subsidiaries of Tata Power and Group Financial Controller of Tata Power before being appointed as CFO of Tata Power in 2014.</p> <p>He is on the Board of several companies of the Tata Group in India and overseas. He is the Chairman of the National CFO Committee and member of the Committee on Economic Affairs of the Confederation of Indian Industry.</p>
Directorships held in other Companies (excluding foreign companies)	Nil	<ul style="list-style-type: none"> • Tata Projects Limited • Coastal Gujarat Power Limited • Tata Power Renewable Energy Limited • The Tata Power Delhi Distribution Limited • Prayagraj Power Generation Company Limited
Committee positions held in other companies*	Nil	<p>Audit Committee</p> <p><u>Member</u></p> <ul style="list-style-type: none"> • Coastal Gujarat Power Limited • Tata Power Renewable Energy Limited • Tata Projects Limited • Prayagraj Power Generation Company Limited <p>Nomination and Remuneration Committee</p> <p><u>Member</u></p> <ul style="list-style-type: none"> • Coastal Gujarat Power Limited
Remuneration	N.A	N.A
No. of meetings of the Board attended during the year	6	3
Number of shares held	Nil	Nil

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Vijay Namjoshi	Mr. Krishnav Dutt
Date of Birth	30 th October 1962	16 th October 1974
Date of first Appointment	1 st February 2020	21 st March 2017
Qualifications	BE(Mechanical)	B.Sc, L.L.B
Relationship with other Directors & KMP of the Company	Nil	Nil
Expertise in specific functional areas	<p>Mr. Namjoshi, aged 57 years, is a Bachelor of Mechanical Engineering from Sardar Patel College of Engineering, Mumbai. Mr. Namjoshi joined the Tata Power in the year 1983 as a Graduate Engineer Trainee and has worked for more than 34 years in various functions/ divisions of the Company like Trombay MMD, ERP-Maithon-Mechanical, Special projects in O&M etc. He also held the position of Chief - Jojobera.</p> <p>He is presently occupying the position of Chief Generation Tata Power.</p>	<p>The experience of Mr. Krishnav Dutt encompasses the entire repertoire of corporate practice including mergers and acquisitions, private equity, banking and finance, projects and project finance. Mr. Dutt has closely worked with several large corporate groups, investors, private equity funds and renowned banks and financial) in several transactions including disinvestments of PSUs and framing of policies. He has also been the legal advisor to the Public Enterprises Department of Government of Orissa for its restructuring initiative of Government of Orissa undertakings.</p> <p>Mr. Dutt started his legal career in the Calcutta High Court where he practiced civil law. After a short stint at High Court, he joined ICICI Bank in Mumbai where he gained several years of experience in handling transactions in the stressed assets space and international banking sector. He joined Amarchand & Mangaldas & Suresh A. Shroff & Co. in 2005 and became the partner in charge of the eastern operations of the firm in the year 2007. He stepped out from Amarchand & Mangaldas & Suresh A. Shroff & Co. in June 2009. Mr. Dutt is currently the Managing Partner of Argus Partners.</p>
Directorships held in other Companies (excluding foreign companies)	<ul style="list-style-type: none"> Coastal Gujarat Power Limited Prayagraj Power Generation Company Limited Industrial Energy Limited Tata Power Green Energy Limited 	<ul style="list-style-type: none"> Tata Metaliks Limited Balrampur Chini Mills Limited Macmet Engineering Limited Tata Steel BSL Limited Tata Metaliks Di Pipes Limited TRF Limited
Committee positions held in other companies*	<p>Corporate Social Responsibility</p> <p><u>Member</u></p> <ul style="list-style-type: none"> Prayagraj Power Generation Company Limited Industrial Energy Limited 	<p>Audit Committee</p> <p><u>Chairman</u></p> <ul style="list-style-type: none"> Tata Metaliks Limited Tata Steel BSL Limited TRF limited <p><u>Member</u></p> <ul style="list-style-type: none"> Balrampur Chini Mills Ltd <p>Nomination and Remuneration Committee</p> <p><u>Member</u></p> <ul style="list-style-type: none"> Tata Metaliks Limited <p>Stakeholders' Relationship Committee</p> <p><u>Chairman</u></p> <ul style="list-style-type: none"> Balrampur Chini Mills Ltd <p><u>Member</u></p> <ul style="list-style-type: none"> Tata Steel BSL Limited <p>Risk Management Committee</p> <p><u>Chairman</u></p> <ul style="list-style-type: none"> Tata Metaliks Limited <p><u>Member</u></p> <ul style="list-style-type: none"> Balrampur Chini Mills Ltd
Remuneration	N.A	Eligible for sitting fees as approved by the Board
No. of meetings of the Board attended during the year	1	5
Number of shares held	Nil	Nil

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Ashok Sinha
Date of Birth	15 th February 1952
Date of first Appointment	23 rd March 2020
Qualifications	B.Tech (Electrical Engineering), PGDBM (IIM)
Relationship with other Directors & KMP of the Company	Nil
Expertise in specific functional areas	<p>He has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. (BPCL), which is present across the entire value chain with activities covering exploration and production, refining and marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005.</p> <p>Since 2011, he has served on the Boards of Petronet LNG Ltd., CMC Ltd. (erstwhile subsidiary of Tata Consultancy Services Ltd.), four subsidiaries of Vodafone India Ltd., Tata Advanced Systems Ltd., Tata Lockheed Martin Aerostructures, and Nova Integrated Systems. Currently, he is an independent director on the board of Cipla Ltd., Axis Asset Management Co., You Broadband and Air Asia India Ltd.</p>
Directorships held in other Companies (excluding foreign companies)	<ul style="list-style-type: none"> • Cipla Ltd • The Tata Power Company Limited • J.K Limited • Axis Asset Management Limited • Air Asia (India) Ltd • Coastal Gujarat Power Limited • The Hospital and Nursing Home Benefits Association
Committee positions held in other companies*	<p>Audit Committee <i>Chairman</i></p> <ul style="list-style-type: none"> • The Tata Power Company Limited • Coastal Gujarat Power Limited • Air Asia (India) Ltd • Cipla Limited <p><i>Member</i></p> <ul style="list-style-type: none"> • J.K Limited • Axis Asset Management Limited <p>Nomination and Remuneration Committee <i>Chairman</i></p> <ul style="list-style-type: none"> • Axis Asset Management Limited • Coastal Gujarat Power Limited <p><i>Member</i></p> <ul style="list-style-type: none"> • Air Asia (India) Ltd <p>Corporate Social Responsibility Limited <i>Chairman</i></p> <ul style="list-style-type: none"> • Axis Asset Management Limited <p>Risk Management Committee <i>Chairman</i></p> <ul style="list-style-type: none"> • The Tata Power Company Limited <p>Investment and Risk Management Committee <i>Member</i></p> <ul style="list-style-type: none"> • Cipla Limited
Remuneration	Eligible for sitting fees as approved by the Board
No. of meetings of the Board attended during the year	Nil
Number of shares held	Nil

Details of Directors seeking appointment/re-appointment at the forthcoming AGM:

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Ms. Rita Sinha	Mr. Mahesh Mishra
Date of Birth	30 th July 1950	2 nd January 1961
Date of first Appointment	23 rd March 2020	23 rd June 2020
Qualifications	M.A, IAS	B.Sc Engineering (Mechanical)
Relationship with other Directors & KMP of the Company	Nil	Nil
Expertise in specific functional areas	She retired from the I.A.S. in July 2010 from the post of Secretary to the Government of India, Department of Land Resources, Ministry of Rural Development. She has held several assignments both in the Central and State Governments in a career spanning almost 38 years. Ms. Sinha has been a Director on the Power Grid Corporation of India Ltd. from 2011 till 2014. Currently, she is an Independent Director on the Board of Prayagraj Power Generation Company Limited.	Mr. Mishra joined Damodar Valley Corporation in the year 1984 as a Graduate Engineer Trainee and since then has continued in the organization and served in various capacities in the thermal business. Presently, Mr. Mishra is serving as Executive Director (Operations) and is in charge of thermal plants having capacity of 7090 MW and Hydel power stations having capacity of 147 MW
Directorships held in other Companies (excluding foreign companies)	<ul style="list-style-type: none"> Prayagraj Power Generation Company Limited 	Nil
Committee positions held in other companies*	Audit Committee <u>Member</u> <ul style="list-style-type: none"> Prayagraj Power Generation Company Limited 	Nil
Remuneration	Eligible for sitting fees as approved by the Board	N.A
No. of meetings of the Board attended during the year	Nil	Nil
Number of shares held	Nil	Nil

BOARD'S REPORT

To The Members,

The Directors are pleased to present the Twentieth Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March 2020.

Some of the major highlights of your company for FY 2019-20 are:

- Your Company has received Credit rating of CRISIL AA(Positive) for long term banking and NCD-I and has reaffirmed CARE AA (stable) for long term banking and NCD-II. For Commercial Paper company has received Credit rating from CRISIL A1(Positive) and CARE A1+ (A one Plus).
- Your Company has maintained Plant Availability Factor (PAF) at 87.28% in FY20, securing the recovery of 100% capacity charges for the year from its Long-term beneficiaries.
- Your Company has registered profit after tax (PAT) of ₹ 338 crore.

1. FINANCIAL RESULTS

(₹ crore)

Particulars	FY20	FY19
(a) Income from Operations.....	2,741	2,776
(b) Operating Expenditure.....	1876	2,039
(c) Operating Profit	865	737
(d) Add: Other Income	28	65
(e) Less: Finance Cost.....	193	205
(f) Profit before Depreciation and Tax	700	597
(g) Less: Depreciation / Amortisation	244	238
(h) Profit before Tax	456	359
(i) Tax Expenses	119	86
(j) Net Profit/(Loss) after Tax	338	273

2. FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS

• Financial

During the year, income from operations and operating profit were ₹2,741 crore and ₹ 865 crore as against ₹ 2,776 crore and ₹ 737crore , respectively for the previous year. The Increase in profit for the year is mainly on account of favourable orders received from CERC against various petitions and compensation received against the operational losses under Reserves Regulation Ancillary Services (RRAS) & Security Constrained Economic Dispatch (SCED) scheme.

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

• Business Environment

i) Fuel

During the year, your Company participated in various Special Forward E-auction Schemes conducted by Coal India Limited and procured 1.25 Million Tonnes (MT) of coal as compare to 0.68 MMT in the previous year. Also participated in import substitution schemes securing coal procurement of 2.67 Million Tonnes (MT). This helped in maintaining coal stock in plant and reducing the energy cost and energy revenue billed to the Long Term (LT) beneficiaries. During the year, your Company has procured total coal 3.94 MT as compare to 4.49 MT in the previous year.

ii) Operations

During the year, your Company was able to achieve Plant Availability Factor (PAF) of 88 % and Plant Load Factor (PLF) of 70%. However, PLF was low due to lower demand by the customers and participation in RRAS & SCED schemes. Your company took various measures to run the plant at maximum possible load by reducing outage hours.

The generation details of both the units are given below:

Particulars	FY20	FY19
Generation (MUs)	6,488	7,268
PLF (%)	70	79
Plant availability (%)	88	86
Aux Power (%)	5.92	5.64

During the year, your Company has supplied 6,348 MUs to the Long Term (LT) beneficiaries as against 6,859 MUs in the previous year.

iii) Commercial

Power sale for 1,050 MW had been tied up with DVC for 150 MW and West Bengal State Electricity Distribution Company Limited (WBSEDCL), Tata Power Delhi Distribution Limited (TPDDL) and Kerala State Electricity Board Limited (KSEB) for 300 MW each on LT basis. The Company had a smooth cash collection pattern during the year.

During the year, the Company has received favourable orders from CERC in respect of its petitions (a) against past disallowance of capital expenditure on account of liquidated damages and (b) claiming reimbursement of ash disposal expenses. The necessary accounting of these orders has been done in these financial results.

iv) Tariff regulation

In FY20, your Company was able to recover 100% capacity charges due to entire tie up of Capacity based on last CERC tariff order dated 1st October 2019.

Your Company has filed Tariff Application for determination of Generation Tariff Petition for 2019-24 including True-up for 2015-19.

v) Pollution Control Measure

Your Company has received the renewal of 'Consent to Operate' from Jharkhand State Pollution Control Board (JSPCB) for next five years.

On 11th November 2019, CERC has granted in-principle approval for installation of Flue-gas desulfurization (FGD) system as per notification of Ministry of Environment, Forest and Climate Change ("the MoEFCC") dated 7th December, 2015.

vi) Strengthening customer relationship

Your Company takes great pride in the relationships it build with its customers. Various initiatives have been undertaken by your Company for strengthening relationship with the customers. To foster a collaborative style of working with customers, your Company has executed several structured activities like annual customer meet, sharing of best practices, capturing of customers' feedback and expectations. Your Company has also rolled out customer satisfaction index (CSI) survey for gathering customers' feedback and responding to their requirements.

• Projects

a) Land for Main Plant

The Plant land of 1116 acres comprising Private land (565 acres), Gair Mazura (GM) land (115 acres) and Forest land (436 acres) was identified and acquired by Damodar Valley Corporation (DVC) exclusively for the Maithon Right Bank Thermal Power Project.

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

DVC had also acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. As per the shareholders agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (115 acres) and Forest Land (238 acres) on 18 January 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter.

The Company has received demand for 191 acres of Jungle Jhar(Forest Land) from GoJ, and has made payment of requisite amount and is in process of execution of lease from GoJ directly in the name of MPL.

Subsequent to surrender of 115 Acres GM land by DVC to GoJ, your Company has applied with GoJ for leasing of requested land in the name of MPL. Matter is being pursued with GoJ for the same. Reminders have sent to GoJ to provide payment demand to initiate the leasing process in the name of MPL.

b) Land for Railway Infrastructure

To ensure regular coal availability for sustainable operation of the plant, your Company had started construction of railway infrastructure for 22 km.

Railway infrastructure land of 133 acres comprising Private land (70 acres), GairMazura (GM) land (28 acres) and Eastern Railway land (35 acres) was identified exclusively for the Railway Corridor of Maithon Right Bank Thermal Power Project.

DVC has acquired Private land (66.74 acres) and GM land (17.78 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand.

The Company has directly acquired 2.72 out of 3.12 acres in name of MPL and the balance is in the process of acquisition. The Company has acquired 35 acres (14.274 hectares) through lease from Eastern Railway (ER) as required for the construction of railway infrastructure. The said land has been licensed for five years by the ER in favour of your Company with a provision of successive renewal.

For acquisition of balance GM land, MPL has applied to GoJ for 10.56 Acres GM land for which demand has been received and payment made by MPL for direct lease in the name of MPL and now pursuing with GoJ to execute the lease agreement with MPL.

In August 2012, your Company entered into rehabilitation and resettlement (R&R) agreement with the land losers for settlement of R&R package in respect of private land. However, due to disputes relating to payments made by the GoJ to the wrong claimants, multiple ownership issues of the same land, differences in owner's name in land records, missing land documents and original land acquisition notices, etc., your Company has faced significant challenges to complete physical possession of the private land in some villages. However, substantial progress has been made in identification of genuine claimants' post Hon'ble Ranchi High Court directions to District Administration.

After thorough scrutiny of landownership by DLAO Dhanbad, publication of list of Rightful landowners for Pandra village in Q2-Q4 FY19, significant progress has been achieved in payment of Land Compensation and R&R to rightful landowners. Company has also made direct payment to rightful landowners identified to avoid work interruptions due to delay in payment. As a result, physical possession of land in all the stretches of Railway project has been ensured and work started in most of the areas of Stage-I and Stage-II.

In case of GM land and railway land, your Company has found several unauthorized encroachments and received compensation demand from them. Negotiation for settlement of disputes and demand of these land losers and unauthorised encroachments has been made and most of the issues has been settled.

Thus, your company has achieved control on Land issues and construction work on all the stretches has been started in this year. In case of Stage-II, all the Civil work has been completed and P-way, OHE and S&T work is in advance stage of completion; and significant progress has been made for Stage-I Civil work wherein Civil work, P-way, OHE, and S&T work has been completed in all other villages except Pandra; and civil work is in progress in the span passing through Pandra.

Construction of railway infrastructure work for stage I and stage II shall be completed by H2 FY21 followed by its commissioning & Operations.



OHE P-WAY Railway

c) Mega Power Project Status

Mega Power status to 1,050 MW Maithon Right Bank Thermal Power Project had not been granted by the Ministry of Power (MoP) to your Company on the ground that the PPAs did not conform to the National Electricity Policy 2005 and Tariff Policy 2006 of the Government of India (Gol). Pending receipt of the Mega Power status, your Company remains liable to pay excise and customs duty on the receipts of goods and materials, wherever applicable. It had claimed 'drawback' of the duty so paid under deemed export benefit chapter of Foreign Trade Policy (FTP) of the Gol.

Initially, your Company received the benefit of excise duty drawback for ₹ 36 crore with respect to various project packages under non mega power status as per the FTP. Further excise duty drawback claims to the tune of ₹ 19 crore were approved by the Directorate General of Foreign Trade (DGFT), however no refund were received by the Company.

Subsequently, DGFT issued a demand notice claiming back the said duty drawback with retrospective effect pursuant to its decision taken at Policy Interpretation Committee (PIC) meeting held in March 2011.

Based on legal advice, your Company filed writ petitions before the Hon'ble Delhi High Court, *inter alia*, praying for quashing DGFT's demand notice. Subsequently, your Company filed transfer applications before the Hon'ble Supreme Court for transfer of writ petitions filed by it in the Hon'ble Delhi High Court to the Hon'ble Supreme Court as the appeal filed by Gol, in a similar matter, is pending before the Hon'ble Supreme Court. The matter is sub-judice.

d) FGD & NOx Mitigation Project

As per the notification of Ministry of Environment and Forest & Climate Change (MoEF&CC) to comply with SO₂ and NO_x emission norms, your Company has planned for setting up of two projects.

First project is to install Flue Gas De-Sulphurisation (FGD) system for Unit#1 by September 2021 and for Unit#2 by June 2022. Second project is to install NO_x abatement system for both Unit#1 and Unit#2 by December 2022.

For FGD installation, Board approval received on 23rd May 2019 and CERC in principle approval of Project hard cost vide petition No 152/MP/2019 received on 11th November 2019.

LOI has been placed for both the FGD Main Package & ESSP package and project zero start date is 12th November 2019. Site set up activities and vendor mobilisation are in process.

For NO_x mitigation Company has discovered the project cost through bidding process among competent Vendors. Commercial negotiation completed with price & various technology options and put up for Management approval.



FGD Site



Survey Work at FGD Site

e) Phase-II expansion of 2X660MW Supercritical Capacity

As per the Memorandum of Understanding (MoU) entered into between DVC and The Tata Power Company Limited ('Tata Power'), it is envisaged that expansion plans of your Company for setting up of new projects between these companies could be explored. As a step in this direction, based on the in-principle approval of DVC and Tata Power, it decided for expansion of its Maithon Project by establishing another 1,320 MW capacity (2X660 MW) supercritical units (Phase-II).

Following is the status of Phase-II expansion of your Company:

- Water tie-up: Damodar Valley Reservoir Regulation Committee (DVRRC) has permitted to use 55 cusecs water, which is sufficient for Phase I and II.

- Land: Existing land area of the plant is sufficient for both the phases. Your Company is in physical possession of the 1,116 acres of land required for Phase I and II.
- Detailed Project Report (DPR): Draft DPR for Phase-II is in place.
- Fuel Sourcing: An application has been filed with the Ministry of Coal (MoC) for 6.40 MTPA coal. The matter is being followed up on regular basis.
- Environmental clearance shall be obtained based on fuel allocation.
- Power Purchase Agreements: Your Company has approached existing LT beneficiaries and many other distribution companies to purchase power from Phase II. Alternatively, your Company is looking for Case 1 bidding route to tie up power on LT basis.
- Power evacuation: Your Company has initiated discussion with PGCIL for evacuation of power.
- Chimney Clearance: Your Company has obtained aviation clearance from the Ministry of Defence for construction of 275 meters high RCC chimney for the project.
- At present this proposal is on hold due to absence of PPA and coal linkage.

3. DIVIDEND

During the year, your Company has paid an interim dividend of ₹0.41 per equity share @ 4.12% per share aggregating to ₹ 62.22 crore (excluding 15% dividend distribution tax plus surcharge & cess) for FY 2019-20. The Board has recommended the declared interim dividend as the final dividend on the equity shares for the year ended 31st March 2020.

4. RESERVES

Your Company proposes to retain the entire amount of ₹ 228.5 crore in the Statement of Profit and Loss without transferring any amount to the General Reserves.

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

As on 31st March 2020, your Company did not have any subsidiary/joint venture/ associate. Hence, Rule 8(1) of the Companies (Accounts) Rules, 2014 does not apply.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Bhola Nath Sah (DIN 07984423) and Mr. Ramesh Subramanyam (DIN 02421481) were appointed as Additional Directors of the Company with effect from 2nd August 2019. Mr. Bhola Nath Sah resigned from the Board effective 31st December 2019.

Consequent to the retirement of Mr. Ashok Sethi (DIN 01741911) and Mr. Pulak Datta (DIN 07647537) they ceased to be directors of the Company from 30th April 2019.

Mr. Vijay Namjoshi (DIN 08626492) was appointed as Additional Director of the Company effective 1st February 2020 in place of Mr. Purushottam Thakur who resigned from the board of Company consequent to his retirement from the service of The Tata Power Company Limited effective 31st January 2020.

At the 18th AGM of the Company held on 31st August 2018, Mr. Narendra Nath Misra (DIN 00575501) and Ms. Neera Saggi (DIN 00501029) were re-appointed as Non-Executive Independent Director on your Company's Board for a period of two consecutive years. They held office till 22nd March 2020.

The Board has placed on record its appreciation for the valuable contribution made by the outgoing Directors towards the Company during their respective tenures of office.

Based on the recommendations of the NRC, the Board of Directors has re - appointed Mr. Krishnav Dutt (DIN 02792753) with effect from 21st March 2020, as Additional (Independent) Director of the Company in accordance with Section 161(1) of the Act and Article 88 of the Company's Article of Association. Mr. Dutt has been re - appointed as Independent Director for a period of three (3) years commencing from 21st March 2020 till 20th March 2023. His appointment is subject to the approval of the Members at the ensuing AGM.

Based on the recommendations of the NRC, the Board of Directors has appointed Mr. Ashok Sinha (DIN 00070477) and Ms. Rita Sinha (DIN 05169220) with effect from 23rd March 2020, as Additional (Independent) Director of the Company in accordance with Section 161(1) of the Act and Article 88 of the Company's Article of Association. Mr. Sinha and Ms. Sinha has been appointed as Independent Director for a period of three (3) years commencing from 23rd March 2020 till 22nd March 2023. Their appointment is subject to the approval of the Members at the ensuing AGM.

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act. In the opinion of the Board, Independent Directors possesses integrity, expertise and vast experience including proficiency.

• Re - appointment

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. Suvamay Halder (08293500), Non-Executive Director of the Company, retires by rotation and is eligible for re-appointment. Member's approval is being sought at the ensuing AGM for his re-appointment.

• Independent Directors

In terms of Section 149 of the Act, Mr. Ashok Sinha, Ms. Rita Sinha and Mr. Krishnava Dutt are the Independent Directors of the Company. Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

• Key Managerial Personnel

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Ramesh Jha, Chief Executive Officer
- Mr. Satish Kumar, Chief Financial Officer
- Ms. Poonam Shirke, Company Secretary

• Number of Board meetings and dates

Six(6) Board meetings were held during FY20 on 17th April 2019, 23rd May 2019, 15th July 2019, 16th October 2019, 11th January 2020, and 16th March 2020.

At the 18th AGM of the Company held on 31st August 2018, Mr. Narndra Nath Mishra (DIN 00575501) and Ms. Neeta Saggi (DIN 00501029) were re-appointed as Non-Executive Independent Director on your Company's Board for a period of two consecutive years. They held office till 22nd March 2020.

The names, categories of the Directors on the Board, their attendance at Board meetings held during the year under review (FY20) is as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Ramesh Subramanyam	Non – Executive Director	3	-
2	Mr. Ashok S. Sethi		1	Resigned w.e.f 30 th April 2019
3	Mr. Anand Agarwal		5	-
4	Mr. Purushottam, Thakur		5	Resigned w.e.f 31 st January 2020
5	Mr. Vijay Namjoshi		1	Appointed w.e.f 1 st February 2020
6	Pulak Datta		-	Resigned w.e.f 30 th April 2019
7	Mr. Bholu Nath		-	Appointed w.e.f 2 nd August 2019 and Resigned w.e.f 31 st December 2019
8	Mr. Suvamay Halder		6	-
9	Mr. Narendra Nath Misra	Independent Director	6	Resigned w.e.f 22 nd March 2020
10	Ms. Neera Saggi		6	Resigned w.e.f 22 nd March 2020
11	Mr. Krishnava Dutt		5	-
12	Mr. Ashok Sinha		-	Appointed w.e.f 23 rd March 2020
13	Ms. Rita Sinha		-	Appointed w.e.f 23 rd March 2020

- **Committees of the Board**

- a) **Audit Committee of Directors**

In accordance with Section 177 of the Act and rules made thereunder the Audit Committee has been constituted by the Company.

The composition of the Audit Committee as on 31st March 2020 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Ashok Sinha, Chairman	Independent, Non-Executive Director	Appointed w.e.f 23 rd March 2020
2	Mr Krishnav Dutt, Member		Appointed w.e.f 23 rd March 2020
3	Mr. Anand Agarwal, Member	Non-Independent, Non-Executive Director	-

Mr. Suvamay Halder, Director is a permanent invitee to the meetings of the Audit Committee.

The Board of Directors of your Company has adopted a Charter of the Audit Committee to bring the terms of reference, role and scope in conformity with the provisions of the Act. The Charter specifies the composition, meetings, quorum, powers, roles and responsibilities, etc. of the Committee.

Mr. Suvamay Halder, Director is a permanent invitee to the meetings of the Audit Committee.

The Board of Directors of your Company has adopted a Charter of the Audit Committee to bring the terms of reference, role and scope in conformity with the provisions of the Act. The Charter specifies the composition, meetings, quorum, powers, roles and responsibilities, etc. of the Committee.

The powers of the Audit Committee include the following:

- Investigate any activity within the scope of the Charter or as referred to the Committee by the Board.
- Appoint, compensate and oversee the work of any registered public accounting firm employed by the organization.
- Pre-approve all auditing and non-audit services.
- Seek any information from any employee or director of the Company.
- Engage independent counsel and other advisors and seek their advice.
- Have full access to the books of accounts, company facilities, employees and any other service provider to the Company.
- Meet Company's officers, external auditors or outside counsel, as may be necessary.
- Engage valuers, where a valuation needs to be made for any property, stock, shares, debentures, or goodwill or any other assets or net worth of a company or its liabilities (as per Section 247(1) of the Act).

The roles and responsibilities of the Audit Committee include the following:

- Financial Reporting Processes and Financial Statements
- Statutory Audit
- Internal Audit and Internal Control
- Cost Audit
- Risk management
- Internal Control
- Compliance with statutory / regulatory requirements
- Whistleblowing
- Related party transactions
- Review of information

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Chief Executive Officer, the Chief Financial Officer, Head-Finance & Accounts and the Company Secretary attend the meetings. The Statutory Auditors and Internal Auditors are also invited to the meetings. The Company Secretary, acts as the Secretary to the Committee.

Four(4) Audit Committee meetings were held during FY20 on 17th April 2019, 15th July 2019, 16th October 2019, and 11th January 2020.

The details of meetings attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Krishnava Dutt	Independent Director	3	-
2	Ms. Neera Saggi		4	Resigned w.e.f 22 nd March 2020
3	Mr. Anand Agarwal	Non-Executive Director	4	-

b) Nomination and Remuneration Committee(NRC) of Directors

In accordance with Section 178 of the Act and rules made thereunder the Audit Committee has been constituted by the Company.

The composition of NRC as on 31st March 2020 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Ashok Sinha, Chairman	Independent, Non-Executive Director	Appointed w.e.f 23 rd March 2020
2	Ms. Rita Sinha, Member		Appointed w.e.f 23 rd March 2020
3	Mr. Ramesh Subramanyam, Member	Non-Independent, Non-Executive Director	-

Mr. Suvamay Halder, Director is a permanent invitee to the meetings of the NRC.

The Board of Directors of your Company has adopted the NRC Charter to bring the terms of reference, role and scope in conformity with the provisions of the Act. The Charter specifies the principle and objectives, composition, meetings, quorum, powers, roles and responsibilities etc. of the Committee.

The powers of the NRC include the following:

- Investigate any matter within the scope of its charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the company.
- Invite such executives, as it considers appropriate to be present at the meetings of the committee.

The roles and responsibilities of the NRC include the following:

- Board composition and succession related
- Evaluation related
- Remuneration related

Three(3) NRC meetings were held during FY20 on 5th August 2019, 16th October 2019 and 16th March 2020. The details of meetings attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category of Directorship	No. of meetings attended	Remarks
1	Mr. Narendra Nath Misra, Chairman	Independent, Non-Executive	3	Resigned w.e.f 22 nd March 2020
2	Ms. Neera Saggi		3	Resigned w.e.f 22 nd March 2020
3	Mr. Ramesh Subramanyam	Non-Independent, Non-Executive	3	-

c) Corporate Social Responsibility (CSR) Committee of Directors

In accordance with Section 135 of the Act and rules made thereunder the Audit Committee has been constituted by the Company.

Composition of the CSR Committee as on 31st March 2020 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent, Non-Executive Director	-
2	Mr. Vijay Namjoshi	Non-Executive Director	Appointed w.e.f 1 st February 2020
3	Mr. Suvamay Halder		-

One(1) CSR Committee meetings were held during FY20 on 16th October 2019. The details of meetings attended by the Directors during the year are as under

Sr. No.	Name of the Director	Category	No. of meetings attended	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent Director	1	-
2	Mr. Purushottam Thakur	Non-Independent, Non-Executive Director	1	-
3	Mr. Bhola Nath Sah		1	Ceased to be a member w.e.f 31 st December 2020

The Company has adopted CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act.

d) Executive Committee of the Board (ECob)

Composition of the ECoBas on 31st March 2020 is as under:

Sr. No.	Name of the Director	Category	Remarks
1	Mr. Vijay Namjoshi, Chairman	Non-Independent, Non-Executive Director	Appointed w.e.f 1 st February 2020
2	Mr. Anand Agarwal		-
3	Mr. Suvamay Halder		-
4	Ms. Rita Sinha	Independent, Non-Executive Director	Appointed w.e.f 23 rd March 2020

The ECOB approves opex and capex as per the Schedule of Authorities adopted by the Board.

One (1) ECoB meeting was held during FY20 on 23rd April 2019. The details of meeting attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category	No. of meetings attended	Remarks
1	Mr. Ashok S. Sethi	Non-Independent, Non-Executive	1	Resigned w.e.f 30 th April 2020
2	Mr. Anand Agarwal		1	-
3	Mr. Suvamay Halder		1	-
4	Mr. Narendra Nath Misra	Independent, Non-Executive	1	Resigned w.e.f 22 nd March 2020

e) Commercial Committee of the Board

The Company has constituted a Commercial Committee of the Board comprising of Mr. Anand Agarwal inducted as member with effect from 29th June 2018 and Mr. Suvamay Halder as members of the Committee to approve the commercial transactions/sale of power on ST/LT basis.

f) Risk Management Committee

The Company has constituted a Risk Management Committee of the Board comprising of Mr. Krishnava Dutt, Chairman, Mr. Vijay Namjoshi, Mr. Anand Agarwal and Mr. Suvamay Halder as member of the Committee. During the year, One (1) meeting of the Committee was convened.

One (1) RMC meeting was held during FY20 on 16th October 2019. The details of meeting attended by the Directors during the year are as under:

Sr. No.	Name of the Director	Category	No. of meetings attended	Remarks
1	Mr. Krishnava Dutt, Chairman	Independent Director	1	-
2	Ms. Neera Saggi		1	-
3	Mr. Anand Agarwal	Non-Independent Non-Executive	1	-
4	Mr. Suvamay Halder		1	-

g) Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on 16th March 2020. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman, after taking into account the view of Non-Executive Director(s). They also assessed the quality, quantity and timeliness of flow of information between the Company's management to the Board.

7. BOARD DIVERSITY

Your Company recognises and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help your Company to retain competitive advantage. Your Board has adopted the Policy on Board Diversity and Director Attributes which sets out the approach to the diversity of the Board of Directors which is reproduced in Annexure 'A'.

8. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the NRC is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. In line with this requirement, the Board has adopted a Remuneration Policy for non-executive directors, key managerial personnel and other employees of the Company which is reproduced in Annexure 'B'.

The Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays sitting fees at the rate of ₹ 75,000/- per meeting of the Board, ₹ 50,000 per meeting of the ECoB, Audit Committee and NRC, ₹ 30,000 per meeting for all other committee meetings. No sitting fees is paid to employees/consultants of Tata Power or DVC, who are nominated on the Board of your Company, for attending meetings of the Board/Committees. No commission is paid to any Director of your Company.

The details of sitting fee paid/ payable to the eligible Directors for the period 1st April 2019 to 31st March 2020 are as follows:

Name of the Director	Sitting fee (₹)
Ms. Neera Saggi	9,05,000
Mr. Narendra Nath Misra	7,25,000
Mr. Krishnava Dutt	6,60,000

9. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure 'C'.

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of your Company. None of the employees listed in the said Annexure is related to any Director of your Company.

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

The Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors for the year pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

The following processes were adopted for evaluation:

- Feedback was sought from each Director about their views on the performance of the Board as a whole covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and interest of stakeholders.
- Self-assessment questionnaires were filled by the Directors.
- Feedback was also sought from Committees' member for evaluation of Board appointed Committees covering various criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

At its meeting, the NRC then discussed the feedback received from all the Directors regarding self-evaluation. At its meeting, the Independent Directors (IDs) discussed the feedback received from all the Directors regarding Board performance as a whole and of the Chairman and individual performance of the Non-Independent Directors (NIDs).

The Chairman of the NRC summarized the outcomes of discussion held at NRC and IDs meetings as regards evaluation of the Board as a whole and of the Committees and Individual Directors at the Board meeting. The Board then reviewed the performance of all directors (including IDs), as a whole and of its various Committees. Significant learning arising out of the evaluation were discussed by the Board.

11. DEPOSITS

As on 31st March 2020, your Company did not have any outstanding deposits. During the year, your Company did not accept any deposit.

12. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. No investments have been made by the Company.

13. RISK MANAGEMENT FRAMEWORK AND INTERNAL FINANCIAL CONTROLS

Risk Management Framework:

Your Company has a well-defined Enterprise Risk Management System (ERMS) aligned to the stipulations and requirements of ISO 31000:2009. Other than the Risk Management Committee of the Board, your Company also has an internal defined risk management organization structure with the Risk Management Committee (RMC) being chaired by the Chief Executive Officer and Executive Director. The risks are identified and a detailed risk register comprising of the risk premise, indicators, inherent and residual values, probabilities and consequent impacts are carefully evaluated and risk mitigation plans are designed to treat existent risks. The risk are further classified into strategic, operational and tactical risks for monitoring and review. The risks are periodically reviewed and monitored by the RMC. To combat unforeseen adverse situations, unplanned circumstances, your Company has introduced effective Business Continuity Plan (BCP) to ensure sustained operation protecting shareholder interests through improved governance process. Risk management system is striving to maintain business continuity under disruptive incidents and unnatural events. The ERMS encompassed 9 major categories (Asset and catastrophe, Competition strategy and growth, Environment and safety, Financial, Fuel and logistics, Human resource, Projects, Regulations and legal, Technology) and is classified into 28 organization risks, which are broadly covered under the risk register. The top 3 risks of your Company comprise of Risk of Regulatory Disallowances, Risk of Delayed completion of Railway project and Major Catastrophic failure of critical equipment. Risk management framework and processes identifies relevant risks and promotes a pro-active approach treating such

impacts by preparing value added mitigation plan through periodic reviews, inputs from various stakeholder meetings, internal audit recommendations, etc. The concerted risk management efforts of your Company has led to 100% LT/medium term corridor availability for entire generation capacity.

Measures like RMCI, Process Robustness Index (PRI), inherent value and residual value trends determines the efficiency and effectiveness of action plan. Disaster management plan of your Company has been certified to conform to the National Disaster Management Authority (NDMA) guidelines. The policies and review processes of your Company meet the challenges of a continuously changing environment.

Internal financial controls and systems:

The Company has in place adequate internal financial controls with reference to financial reporting.

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives are achieved. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process.

The internal audit process includes review and evaluation of effectiveness of the existing processes, controls and compliances. Audit universe has been evolved out of risk profile of the Company. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee. The Audit Committee reviews the findings of the internal audit and the status of implementation of the agreed action plan.

Approach to risk management

The Enterprise Risk Management framework provides mechanism for identification and prioritisation of risks including scanning the business environment and continuous monitoring of internal risk factors. Risk Management forms an integral part of the management's focus. On March 11, 2020, the world was disrupted when the World Health Organisation (WHO) declared Covid-19 as a 'pandemic'. Your Company is working on a resilient and adaptive Risk management strategy as events are unfolding and new information is emerging. Relevant Risk registers have been suitably recalibrated to monitor mitigation plans related to disruption caused by Covid-19 related risks.

14. BUSINESS EXCELLENCE

Your Company has a strong legacy of fair, transparent and ethical governance practices. As an intricate part of its operation structure and to grow from strength to strength, your Company participated in the Tata Business Excellence Model (TBEM) during the year. Adapted from the renowned Malcolm Baldrige model, TBEM encourages continuous improvements through a formal system of benchmarking and assessment. TBEM instills a process centric approach as a means to achieve the chosen business goals. The key actions identified, were presented to your Board and are being implemented across the organization.

In FY20, Your Company has renewal certificate in ISO 9001, ISO 14001 and ISO 45001:2018 standards. The Surveillance audit of ISO 50001:2011 standards of Energy Management system was carried out successfully. Your Company is also ISO 22301:2012 certified for Business Continuity Management Systems and compliant to ISO 31001:2009 standards for Enterprise Risk Management. Contemporary quality initiatives and techniques like 5S, integrated management system, enterprise process management, strategy deployment matrix, six sigma, etc. were also deployed across the organization for continuous improvement.



Plant Visit of Tata Power CEO & MD

15. SUSTAINABILITY

Sustainability for your Company is a key enabler for strategy program. We are guided by responsible business practices in our interactions with external and internal stakeholders. We are convinced that sustainability is a business opportunity, especially in the sense of energy and resource efficiency and a key element for our aim to be the employer of choice. Responsible business practices are an essential part of the corporate world.

The strategic objective of your Company is to build a sustainable organization while generating profitable growth. Your Company adopts a business approach which is guided by sustainable development by integrating economic progress, social responsibility and environmental concerns. The sustainability agenda of your Company addresses all aspects related to resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around its area of operations.

It has always been your Company's endeavor to achieve its goal of sustainable development by addressing the issues through multi-pronged approach as per details given below:

i) Care for People

Occupational health and safety at the workplace is one of the prime concerns of your Company. Your Company recognizes and accepts its responsibility for establishing and maintaining a safe working environment for all and gives utmost importance to provide it to its employees and associates, inculcate safety awareness among the employees, the workers of contractors and sub-contractors. The station has been certified with Occupational Health & Safety Management Systems (OHSMS ISO 45001:2018) by the Indian Register Quality Systems (IRQS) and Business Continuity Management System ISO: 22301:2012 is in place.

Internal safety audits by Company's safety officers, cross functional safety task force and external safety audits by reputed organizations are carried out. There is continuous monitoring of any unsafe working conditions at site and its rectification. For strict compliance and enforcement of safety norms and practices by the contractors, safety clauses are included in general conditions of contract.

Your Company has continued its efforts to minimize the accidents to zero level and encourage safe working practices at the plant during the year. Your Company has been undertaking a number of initiatives on safety and security as under:

- Implementation of reward and recognition for reporting unsafe condition and near miss incident.
- Safety Code of Conduct (SCOC) is communicated to all employees and displayed at site.
- 3 days safety induction is in practice before issue of gate pass to workers.
- Skill base (Electrical Safety, Confined space, Working at Height etc.) safety training conducted for employees including business partners.
- Special training for supervisors/engineers organized
- Refresher training provided to all business associates.
- One week safety induction programme undertaken for engineers joining operation and maintenance department.
- Training on critical safety standard and procedure for employees and business associates.
- Web based safety training for employee is imparted to cover the safety critical procedure.
- Lock out and tag out system is in place.
- Regular plant inspection is in place and safety issues are being periodically reviewed by the top management.
- All high risk job is being audited by cross functional team on regular basis.
- Daily Safety Round is being conducted by cross functional team to identify safe and unsafe Condition/Act and report through SAPEHS Module.
- For enforcement of safety norms and practices, Contractor safety Code of Conduct (CSCC) are in place.
- Business Continuity and Disaster management plan (BCDMP) in line with the National Disaster Management Authority (NDMA) guidelines is in place.



Employee Volunteering



Yoga Day

- Reporting of safety related observation using mobile App and monitoring using SAP Environment Health and Safety (EHS) module.
- Preventive maintenance of fire equipment carried out in SAP system.
- Foam flooding system arrangement Implemented on Heavy Fuel Oil and Low Density Oil tanks.
- Old version hydra replaced with new generation F15 hydra.

Specific safety targets with lead and lag indicators are monitored against targets. A summary of safety results achieved (both employees and contract workforce) is given below:

Sr. No.	Safety Parameters (Employees and contractors)	FY20	FY19	FY18
1	Fatality (Number)	Nil	Nil	Nil
2	LTIFR (Lost Time Injuries Frequency Rate) (per million man hours)	Nil	Nil	Nil
3	Total Injuries Frequency Rate (TIFR) (Number of injuries per million man hours)	0.74	Nil	Nil
4	First Aid cases (Number)	06	06	10

ii) Security

Your Company recognizes and accepts its responsibility for establishing and maintaining a secured working environment for all its installations, employees and associates. This is being taken care by deploying adequate number of security at the plant. Concrete steps are being taken for upgrading surveillance systems at the plant location by installation of modern security systems.

iii) Employee Township

Your Company has constructed field hostel for its shift engineers within plant premises, which can accommodate around 50 officials. Apart from this, during the shutdown the Company has workers staying facility hostel available with Capacity of more than 350 workmen, provided with all facilities like toilets, washroom, kitchen, etc.



MPL Day 2019-20



Celebration at Plant



Lighting of Lamp



Heads of Department

b) Care for Community

While aiming to grow and generate profits, your Company has always endeavored towards its social and environmental responsibilities to fulfill the need and expectations of the larger society. Your Company believes that its business values and operations need integration to meet the expectations of its stakeholders. The key stakeholders of your Company are the communities around its plant periphery situated at Maithon in the district of Dhanbad, Jharkhand. Your Company is committed to ensure that, the community is benefitted from its presence in their neighborhood.

In line with the CSR policy, your Company undertook certain initiatives in following focus areas:

- Education (upto Primary level)
- Health and Sanitation
- Livelihood and Employability
- Water
- Financial Inclusion

The overall impact of these initiatives includes improvement in health, academic success, livelihood/employability, water and Financial and social security.

Your Company focuses on enhancing employability options by covering 21 villages in and around its plant area, through the following activities:

Livestock improvement, horticulture promotion and land development programs, wherein around 225 acres of land is developed and brought under integrated farming. 250 nos of family will be promoted through agriculture/wadi and vegetable development. Average monthly income has crossed 5000 per month per family. Apart from vegetables and fruits sale the family income include self-consumption also.

1000 families will be promoted through animal husbandry. Annual income of these families is approximately ₹ 30,000 per house hold. 60 women in SHG has been made self-sustainable through tailoring and handicraft making utilizing tiger grass. Average income of each family from tailoring unit is ₹ 2500 per month per women. 400 families have been linked with social security schemes.

The Company has successfully connected 2000 families from the peripheral villages of MPL with various government benefiting schemes. Out of which 35% people are PAP's or families connected to PAP's of the Company.

4,967 students have been given grade specific learning through digital learning. The project of digital learning under the banner of MPL-CSR has been praised by the government of Jharkhand in various form in district and state throughout the year.

21,625 patients treated with required medicines. More than 10,000 villagers has been given health awareness training and have changed health habits. 400 HH toilets have been constructed through utilizing state government fund and all are in use.

50 candidates of 10th drop out were trained successfully in skill development training and 37 have been successfully placed with different companies.

239 graduates trained and 66 youths were placed in TCS - Kolkata.

Girls of 26 year age and have not selected in TCS are being lined up for interview with TAJ - Risikhase. Around 325 youths were given coaching in 9th and 10th class exams. Similarly, around 315 school students were successfully trained in basics of computer operations.



Anganwadi



Water Conservation



Water Management



Sports

Regular football coaching on daily basis for male youth of the peripheral villages. 124 ST male youths were trained. Girls football coaching started with 50 female youths. 02 youths from the girls football team has been selected by the state government in the under 14 category.

TPSDI- 707 Dip/ Grad Youth against a target of 600 & 731 ITI youth extra.

Worked for better infrastructure in the village which adds socio-economic value and social Infrastructure are as follows:

- A. Based on ground water table survey rainwater harvesting structure, ponds were made in 05 villages.
- B. Strengthening of handicraft centre with drinking water and toilet facilities for boys and girls.
- C. Construction of 500 toilets in 21 village.
- D. One road were constructed having total length of 01 kms
- E. Had meeting and discussion at different levels (Government/ private) for solving the drinking water problem at Pandra. Our Company has arranged pipes line of 1 KM and took permission for connection with the main water line of Maithon - Dhanbad. Construction has not started yet.
- F. Construction completed and commissioning done for 04 Nos of overhead tanks.
- G. Water supply during summer season. This was done during extreme summer and water sources dry up.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR for FY20 is annexed herewith as Annexure 'D'.

c) Care for Environment

Your Company is pursuing the objective of environment protection as one of its prime responsibilities and focuses its efforts to mitigate the impact of its operation on surrounding environment. Your Company continually strives towards sustainable development by trying to find a balance between the needs of its customers and responsible care for the environment.

It has environmental management systems in place which is responsible for all environmental activities, as under:

- CTO (Consent to operate) for your Company has been renewed for next five years i.e. valid upto 31st December 2024
- Rain water harvesting system has been implemented at site through roof top rain water harvesting and by constructing storage cum percolation pond.
- A continuous ambient air quality monitoring system has been installed at site which can monitor the ambient air as well as weather parameters.
- Wind screen has been established all around the coal yard to control the dispersion of fugitive emission with bamboo/MS structure and green cloth. Bamboo sapling has been planted all around the structure in coal yard area. The total length covered is 1.6 km. This will enhance the quality of ambient air of the surrounding areas.
- In and around the ash pond, precast pole with fence has been established. Additionally, creepers would be planted all around the fence which will act as wind screen or filter media and improve the ambient air quality of the surrounding areas.
- Green belt developed in an area of 95 hectare in and around the plant premises to increase the aesthetic of the surrounding area as well as to comply with the statutory requirement.

- Mobile dust suppression system has been installed at the track hopper area for continuous spray of water mist on all directions and suppress the dust.
- Company has installed Zero Liquid Discharge (ZLD) plant to treat and effectively reuse the major liquid effluent being blown down by cooling tower.
- Utilisation of fly ash brick within plant premises for conservation of top soil.
- Various cement plants, NH contractors and ash brick manufacturing units have been contacted for utilisation of fly ash.
- Bio-degradable waste converter has been installed at plant and employees' township to manage biodegradable waste in an eco-friendly manner and the final output i.e. manure is used in horticulture.
- A unique concept of light pipes and turbo ventilator at the main store has been implemented to reduce energy consumption and improve the working environment.
- Water sprinkling system has been installed at ash pond and working satisfactorily. This project was taken for controlling & reducing fugitive dust emission at ash pond surroundings area.
- RO plant PG test has been completed successfully & continuous operation will help to reduce the specific water consumption as well as fulfill the purpose of complete ZLD.
- We are in the process of mapping the green coverage developed through GIS/remote sensing technology.
- The company has been granted biomedical waste authorisation for a life time period by JSPCB.
- E waste has been disposed of through authorized recycler.
- As per CPCB direction remote calibration facility for SO₂ and NO_x of on line flue gas monitoring system has been implemented.



Maithon Dam

Your Company has been awarded for outstanding Environmental Management (Diamond category) 2019 in Thermal Power Plant by Green Maple Foundation. The Company achieved Four Star Rating by JSPCB in October 2019 for quality and quantity of online Environment monitoring data. The Company ranks 1st industry in Jharkhand to achieve this acclaim. Your Company also participated in JAL Shakti Mission of Govt through saplings donation to local administration as well as in house plantation.

• Ash management

The Company generated approximately 15.78 lakh MTPA of ash comprising approximately 11.83 lakh MTPA of fly ash and 3.95 lakh MTPA of bottom ash, out of both the units of 525 MW each, at PLF of 70.35% during FY20.

The status of ash utilised during last five financial years of the station is tabled below:

Financial year	Ash utilization (%)
FY16	106.63
FY17	109.9
FY18	106.2
FY19	102.27
FY20	101.17

There are various ways for utilization of fly ash e.g. in cement industry, brick manufacturing, ready mix concrete plant, road embankment, mine filling, ash dyke raising and land development, etc. Your Company has developed local self-help groups consisting of land losers and villagers and extended to set up fly ash brick manufacturing unit. Bricks are purchased by your Company from this unit for its own use, thereby ensuring usage of fly ash and improving the economic condition of the villagers. Your Company has set up a bagging plant inside the plant premises and engaged contractor for transporting bagged fly ash to various cement companies. Fly ash utilization at cement industries has been increased appreciably.

In order to meet the MoEF stipulation to achieve 100% ash utilization on a long term basis, it is necessary to identify other bulk users who may have perpetual use of ash in their businesses. Your Company is exploring scientific basis to develop safe technique of back filling of abandoned mines with ash. The initial results indicate that there is a good potential in this area. As per the preliminary assessment, the space available in such void mines is capable enough to address the issue of ash disposal of the Company for entire life of the project.

- **New environment regulation for stack emission**

The MoEF has issued a new notification regarding stack emission from thermal power plants on 7th December 2015. The Central Pollution Control Board (CPCB) has vide its letter dated 11th December 2017, informed the Company about the revised timelines, for compliance with the environmental norms, as under:

- a) That plant shall install/retrofit Electrostatic Precipitators (ESP) immediately so as to comply PM emission limit.
- b) That plant shall install FGD by 30th September 2021 and 30th June 2022 for Unit#1 and Unit #2, respectively, so as to comply SO₂ emission limit.
- c) That plant shall take immediate measures like installation of low NO_x burners, providing Over Fire Air (OFA), etc. and achieve progressive reduction so as to comply NO_x emission limit by the year 2022.
- d) The specific water consumption is 3.5 m³/Mwh.

The Company has filed petition before CERC seeking it's in principle approval for incurring capex to comply with MoEF directives by December 2017. On the receipt of in principle approval from CERC, the Company would take necessary steps for compliance of this pollution norms. Following are the compliance status of revised norms:

- a) Existing ESP are designed for emission of less than 50 mg/Nm³ of applicable norms. ESP performance test has been carried out periodically and reported its efficiency is on an average 99.8%
- b) Your company has taken steps to install the FGD by stipulated time. However, it would be subject to approval of the capex by CERC so as to recover the cost through tariff.
- c) Currently the NO_x emissions are in the range of 500 mg/Nm³ to 700 mg/Nm³. The units are designed for NO_x with emission limit of 880 mg/Nm³. With operational practices like combustion efficiency, installation of SOFA and SNCR in future, shall be adopted to maintain NO_x emission limits well within the applicable limits. As suggested by Ministry of Power, the applicability of emission limit of 300 mg/Nm³ for NO_x is being reviewed by Sub group Chaired by Chairman CPCB, and representatives from CPCB, MOP/CEA and MOEF&CC. The group recommendations shall be adhered.
- d) The Specific water consumption is 2.39 m³/Mwh. which is well within the stipulated limit of 3.5 m³/Mwh.

- **Tree Plantation**

As per the conditions of Environmental Clearance of the project, your Company is mandated to develop greenbelt covering an area of 95 hectares. So far, the Company could develop green belt in and around the plant area with the plantation of approx. 2.5 lakh trees. It has not only contributed to the aesthetics but also helped in carbon sequestration by serving as a "sink" for CO₂ release from the stations and thereby protecting the quality of ecology and environment.



Plantation Drive



Plantation Drive

- Tiger Grass handicrafts under Dhaaga Initiative**

The Company has been relentlessly working towards the development and welfare of the communities living in and around its operational areas. Under its Dhaaga initiative, the Company in collaboration with Amarkutir Society for Rural Development, has started a handicraft training and production center for Women Artisans from the peripheral villages of the project.

The venture aims to uplift the livelihood of the community women and foster their holistic development. The women artisans at the center make hand woven crafts made of Tiger grass, a perennial grass native to the Indian subcontinent. With a monthly income of ₹500 to ₹ 700, more than five women are associated with initiative. The Company markets these products in a boutique at Asansol and Amarkutir Society for Rural Development to make these women financially independent.

Since 2013, the Company has undertaken initiative skill development and production activities that help these women artisans become self-dependent and support their households financially.



Dhaaga



Dhaaga

16. Covid-19 Pandemic

The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company has taken various initiatives towards financial, medical and community support in the fight against Covid-19 pandemic. This included financial support towards the relief funds.

In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at the plant location. The Company observed all the government advisories and guidelines thoroughly and in good faith.



Due to Covid- 19 the following measure had been adopted during Feb - April 20

- At the gate social distancing spots are maintained and all personnel has to sign daily the checklist given by the Company
- Handwash and sanitizers are provided at all gates, public spaces, canteens, workmen living quarters, toilets, entrances.
- Compulsory use of masks for all who enter the premises including Hyva Drivers
- Daily checking of temperature of all personnel entering the gate by thermal gun
- ROTA system is followed for work being done in the departments.
- Many service departments have been put on work from home.
- Extensive coverage of precautions were being conducted by our Doctor and Para medical staff
- Daily two times sanitizing of the Staff buses both Dhanbad as well as Maithon Routes.
- The Asansol route as been totally stopped and all employees told to stay at Home.



17. INFORMATION TECHNOLOGY AND COMMUNICATION TECHNOLOGY

The Information Technology in your Company is not only a service provider but also being used as a key business driver. Most of the business processes in the Company have been IT enabled. The Company's IT infrastructure is continuously reviewed and renewed in line with the business requirements and technology enhancements. The Company continues to invest in Information Technology (IT) to enhance customer experiences, improve productivity and bolster agility by refining operational efficiency through automation and better data driven insights.

Your Company has been using SAP Enterprise Resource Planning (ERP) package, extended by Tata Power, covering maximum possible processes across the organisation. In addition to the core business, it encompasses the employee self-service functionality, procurement to pay, knowledge management, business intelligence, document management workflow, security intelligence system, vendor invoice management, billing to cash, etc. The SAP ERP system is fully managed through expertise from the process and technical group.

You Company widely uses video conferencing facility, to hold meetings in a secured manner with outside Company network location.

18. HUMAN RESOURCES

The Human Resource function of your organization is actively pursuing the agenda of supporting the organization in its strategic objectives. The company believes that employees are its most valuable resource and has implemented effective Human Resource management practices, which has helped in making the Organization robust, progressive and dynamic.

Your company is preparing for the future ready workforce and has focused on the capability building of its officers as well as allied workforce. During the year under review several HR initiatives were undertaken to supplement the Company's effort towards business sustainability and preparing for growth. These initiatives are aimed at developing leaders, creating bench strength for the future and skill and competency development of the Company's existing human capital. Several training programs were conducted to ensure development of the required competencies. Some of the major human resource initiatives undertaken by the Company during the period under review to supplement efforts towards organizational growth include:

a) Manpower

Manpower (officers) stood at 243 at the close of the year as compared to 252 in the previous year. In FY20, the Company has targeted in optimizing the manpower resources by delegation of multiple responsibilities along with cross functional activities to give more exposure to individuals for better understanding of business and develop multi-skilled and future ready workforce.

With focus on Talent mobility, for manpower sourcing, whenever required, internal job postings (IJP) within Tata Power group companies was given priority to attract right talent and to address the need of development and growth of internal talents. Company has also utilized TPSDI (Tata Power Skill Development Institute) to strengthen the development of their trainees through their programs.

b) Technical and Behavioral Training

With a target of enhancing the functional skill of the workforce various training programs were planned before hand and priority was given on utilising the experience of Internal trainers, who are more accustomed with the existing systems running in the company, thereby giving the trainees a better and practical understanding of the system and functions. External experts, wherever required, were also called to part their knowledge to our workforce to ensure capability development of the workforce.

Taking into consideration of the overall development of the workforce, apart from technical training, the Company has also facilitated in design and execution of various behavioral training programs related to Team building, stress management and emotional intelligence from time to time to help its employees understand and develop their soft skills in their journey on the path of achieving their potential. To maintain a better work life balance, officers were also taken through a workshop facilitated by Art of Living to enlighten them on better way of living their life.

This year your company has embraced digital learning platform "GYANKOSH". Your company achieved 100% adoption of this platform and employees are utilizing this for behavioral trainings.

Apart from behavioral and technical trainings identified during PMS process in respect of every officers, Focused group trainings were also conducted on various topics for and enhancement of a homogeneous group knowledge.

To address organizational needs on S+5S drive, Health & wellness, Care for Environment, SAP, Business Excellence and RCM drive focused on ensuring reliability, separate programs were also conducted throughout the year.

Safety capability building was another area on which continuous focus was kept during the year.

For allied workforce apart from regular technical training, Tata Power Skill Development Institute (TPSDI) at Maithon, was utilized for providing the basic safety trainings (L1) to induct the safety aspects of their job in their behavioral genes. TPSDI platform was further systematically utilized for enhancing the skill set of the allied workforce in technical areas.

c) Employee Engagement and CONNECT

Company's employee engagement platforms are inclusive and empowering. It connects employees with leaders, their peers and Human Resource function. Forums such as Townhalls, Employee Connect meetings, Departmental connect meetings, Monthly review meetings like MPL BSC, Daily O&M and Project meetings provide interactive platforms for sharing information and feedback and also conferring rewards and recognitions. Various initiatives in the field of Employee Recreation have also been instrumental in sustaining the engagement levels at the highest level.



Employee Health Care



Appreciation by CEO

Apart from increasing the capability of our employees, the company have continued the initiative for motivating employees to increase their educational qualification through Higher education support policy to help them pursue their aspirations for higher education.

An HR thematic in-house survey was conducted to understand the happiness quotient of the officers as well as to identify the OFIs.

Many engagement activities were undertaken on larger scale like MPL Day, New Year Celebrations, Employee Picnic wherein employees along with their family participated. Also, various sports activities were conducted for reducing the monotony of the work.

Festival centric decoration were created at the office premises for giving the festival feeling at various intervals to the workforce working on festive days.

Reward & Recognition system is revamped through the launch of "Achievers portal" wherein many attractive rewards and recognition methods are provisioned to boost the performers as well as motivating others to be a part of their colleague's achievements.

To fuel ambitious future growth plans in all its business clusters, the organization is looking at building a steady talent pipeline across various levels of the organization. For this purpose, "Talent NXT" program is launched which focuses on growing talent through out of turn grade elevation and special development opportunities. This pipeline will be developed to generate talent which can take up responsibilities in new domains as well as existing domains with enhanced responsibilities. Your organization is happy to inform that one employee has been selected in this program out of six across Tata Power.

Similarly, workshops were conducted involving the majority of officers in middle and junior management level for maintaining a higher level of synergy among functions and alignment to organizational goals.



R&R for Contract Workforce



MPL Day Celebration

d) Innovation

The Company emphasizes Innovation as part of its work culture. Innovation Council has been formed and is fully functioning at MPL with involvement in many innovative projects.

e) Policy on prevention of sexual harassment of women

Policy on prevention of sexual harassment of women 2013 ("SHWW") notified in December, 2013 requires an organization employing 10 or more persons to constitute an internal complaints committee ("ICC") for hearing complaints of sexual harassment and to include in its annual report the number of cases filed with the ICC and disposed of in the previous financial year. The Company follows Tata Power's policy on prevention of sexual harassment of women to ensure a free and fair inquiry process within defined timelines. No cases of sexual harassment and discriminatory employment were reported in the last financial year.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY20:

- 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 against sexual harassment carried out: 10

f) Industrial Relations

Your Company has, since its inception, supported working collaboratively with all stakeholders to maintain a cordial industrial relationship. Continuing the trend of the last couple of years this year also your company has managed the IR front quite well and achieved no workday loss.

Continuous engagement with the community and stakeholders was undertaken on different matters to ensure continuous dialogue with them and ensuring smooth operation of the Plant.

Various initiatives have been taken round the year for building the capability of allied workforce, ensuring welfare amenities like cold drinking water points, introduction of bio-toilets at remote locations inside Plant and dedicated workers canteen.

Initiatives have been undertaken to build increase the engagement of the allied work force by organizing Cricket Tournament, Safety march, Women's Day celebration and health awareness for female workers. Reward & Recognition program was organized throughout the year to motivate the performers. Turnstile system installed to monitor entry-exit of workforce.

19. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company believes in upholding professional integrity and ethical behavior in the conduct of its business. To uphold and promote these standards, the Company has adopted a Whistle blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy without fear of reprisal.

Protected disclosures can be made by a Whistle blower through several channels. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

20. RELATED PARTY TRANSACTIONS

Your Company has formulated Related Party Transaction (RPT) Policy and framework and guidelines. All RPTs entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business.

No material related party transactions were entered during the financial year by the Company. All transactions with related parties were reviewed and approved by the Audit Committee. The disclosure of material RPTs as required under Section 134(3)(h) read with Section 188(2) of the Act in Form No.AOC-2 is annexed herewith as Annexure 'E'. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis for its review. There are no materially significant RPTs made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

21. CREDIT RATING

Your Company has received Credit rating of CRISIL AA(Positive) for long term banking and NCD-I as well as working capital facilities of the Company and has reaffirmed CARE AA (stable) for long term banking and NCD-II. For Commercial Paper company has received Credit rating from CRISIL A1 (Positive) and CARE A1+ (A one Plus).

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on the conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 'F'.

23. AUDITORS

M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, holds office until the conclusion of 22nd AGM to be held in the year 2022, subject to ratification of its appointment at every AGM, if required under law.

24. AUDITORS' REPORT

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013. Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

25. COST AUDITOR AND COST AUDIT REPORT

As per the Cost Audit Orders, Cost Audit is applicable to the Company's products. In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sanjay Gupta & Associates; Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2019-20. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

26. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Parikh & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure G to this Report. The report is self-explanatory and do not call for any further comments

27. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure 'H'.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's compliance systems were adequate and effective during the financial year 2019-20.

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their deep sense of appreciation to all shareholders, customers, business partners, contractors and suppliers, auditors, bankers, financial and academic institutions.

The Directors are thankful to the Government of India and the various Ministries, the State Governments and the various Ministries, the Central and State Electricity Regulatory authorities, Corporation, Gram Panchayat and Municipal authorities of the areas where your Company operates and the communities associated with its area of operation.

The Board of Directors take this opportunity to place on record their gratitude for the timely and valuable assistance and support received from officers and employees of DVC and Tata Power. We wish to place on record our appreciation for the tireless effort and contribution made by each employee at all levels to ensure that the Company continue to grow and excel.

On behalf of the Board of Directors,

Ramesh Subramanyam
Chairman
(DIN: 01741911)

Date: 27th April 2020
Place: Mumbai

ANNEXURE 'A'

Policy On Board Diversity & Director Attributes

1. Objective

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

2. Attributes of directors

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

i) Gender diversity:

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

ii) Age

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

iii) Competency

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

iv) Independence

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

Additional Attributes

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

3. Role of the Nomination and Remuneration Committee

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

4. Review of the Policy

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

ANNEXURE 'B'

Remuneration policy for Directors, Key Managerial Personnel and other employees

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

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

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

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

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

Key principles governing this remuneration policy are as follows:

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

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

- **Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees¹**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - Driven by the role played by the individual,

¹ Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

ANNEXURE 'B' (Contd.)

- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The company provides retirement benefits as applicable.
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]²
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - ✧ Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - ✧ Industry benchmarks of remuneration,
 - ✧ Performance of the individual.]³
 - The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.
- **Remuneration payable to Director for services rendered in other capacity**

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

 - a) The services rendered are of a professional nature; and
 - b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- **Policy implementation**

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

2 To be retained if Commission is provided to MD/EDs

3 To be retained only if Commission is not provided to MD/EDs

ANNEXURE 'C'

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of Directors' remuneration to the median remuneration of the employees of the Company for the financial year
Mr. Ashok S. Sethi	N.A.
Mr. Ramesh Subramanyam	N.A.
Mr. Vijay Namjoshi	N.A.
Mr. Anand Agarwal	N.A.
Mr. Suvamay Halder	N.A.
Mr. Bhola Nath Sah	N.A.
Mr. Narendra Nath Misra	0.92
Ms. Neera Saggi	0.88
Mr. Krishnava Dutt	0.53
Mr. Purushottam Thakur	N.A.
Mr. Ashok Sinha	N.A.
Ms. Rita Sinha	N.A.

- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr. Ashok S. Sethi	N.A.
Mr. Ramesh Subramanyam	N.A.
Mr. Vijay Namjoshi	N.A.
Mr. Anand Agarwal	N.A.
Mr. Suvamay Halder	N.A.
Mr. Bhola Nath Sah	N.A.
Mr. Narendra Nath Misra	(25.64)
Ms. Neera Saggi	(2.1)
Mr. Krishnava Dutt	18.90
Mr. Purushottam Thakur	N.A.
Mr. Ashok Sinha	N.A.
Ms. Rita Sinha	N.A.
Mr. Ramesh Jha	1.90
Mr. Satish Kumar, Chief Financial Officer	6.00
Ms. Poonam Shirke	10.20

- iii) The percentage increase in the median remuneration of employees in the financial year: 1.14%
- iv) The number of permanent employees on the rolls of the Company: 258
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Average increase in remuneration of Managers (defined as MD and ED on the Board of your Company): 1.9%. For employees of Maithon Power Limited, the median increase was 1.14%
- vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company

ANNEXURE 'D'

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT OF FY20

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.

As per the CSR Policy, the CSR activities proposed to be undertaken by the Company are divided into six major thrust areas as under:

- Gender Balance in Education (up to Secondary)
- Positive Health and Sanitation Practices
- Farm and Non Farm Livelihood
- Social Capital and Institution Building
- Financial Inclusivity and Renewable Energy
- Water

These six thrust areas are mapped with the activities as suggested in Schedule VII to the Companies Act, 2013.

2. The composition of the CSR Committee

The CSR Committee consists of the following directors:

- Mr. Krishnav Dutt - Chairman (Independent Director)
- Mr. Vijay Namjoshi - Director
- Mr. Suvamay Halder - Director

3. Average net profit of the Company for last three financial years

The average profits during the last three immediately preceding financial years is ₹ 302 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above):

₹ 6 crore.

5. Details of CSR spent during the financial year

- (a) Total amount spent for the financial year: ₹ 6 crore
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year: as per schedule I

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

To the best of the knowledge and belief and according to the information and explanations obtained by them, the CSR Committee hereby states that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and the CSR Policy of the Company.

Ramesh Subramanyam
Chairman
(DIN: 02421481)

Krishnav Dutt
Chairman of CSR Committee
(DIN: 02792753)

Schedule I to the Annual Report on CSR activities (2019-20)

In ₹ (Lakhs)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Project/ Program	Amount Outlay (Budget) project wise	Amount Spent on projects or programs	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementation agency
			(Specify local area/ state and district)		Subheads: Direct and Overheads		
1	Gender Balance in Education (up to Secondary)	promotion of education; promoting gender equality and empowering women;	Villages of Nirsa Block, Dhanbad, Jharkhand	42.77	42.773	42.773	Implementing Agency (Tata Power Community Development Trust)
2	Positive Health and Sanitation Practices	Health Care: Promoting Preventive healthcare and health awareness generation	Villages of Nirsa Block, Dhanbad, Jharkhand	97.87	97.355	97.355	Implementing Agency (Tata Power Community Development Trust)
3	Farm and Non-Farm Livelihood	Livelihood enhancement projects; Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups	Villages of Nirsa Block, Dhanbad, Jharkhand	230.66	230.958	230.958	Implementing Agency (Tata Power Community Development Trust)
4	Social Capital and Institution Building	Rural Development Projects; Development of Basic Infrastructures	Villages of Nirsa Block, Dhanbad, Jharkhand	NA	NA	NA	NA
5	Financial Inclusivity and Renewable Energy	Promotion of awareness generation of financial grounds and Renewable Energy and Sustainable Integrated Development	Villages of Nirsa Block, Dhanbad, Jharkhand	24.06	24.063	24.063	Implementing Agency (Tata Power Community Development Trust), Direct
6	Water	Making available safe drinking water, conservation of natural resources and maintaining of quality of soil, air and water	Villages of Nirsa Block, Dhanbad, Jharkhand	136.45	129.714	129.714	Implementing Agency (Tata Power Community Development Trust)
		Administrative & Overhead Expenses		68.19	75.137	75.137	Implementing Agency (Tata Power Community Development Trust)
	Total			600.00	600.00	600.00	

ANNEXURE 'E'

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1) 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 of the contract/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
NA	NA	NA	NA	NA	NA	NA	NA

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Damodar Valley Corporation	Sale of Electricity	During FY 19-20	₹441.40 crore (As per long term Power Purchase Agreement pursuant to CERC Regulations)	NA	NA
The Tata Power Trading Company Limited	Sale of Electricity	During FY 19-20	₹1801.15 crore (As per long term Power Purchase Agreement pursuant to CERC Regulations)	NA	NA

On behalf of the Board of Directors,

Ramesh Subramanyam
Chairman
(DIN: 02421481)

Date: 27th April 2020
Place: Mumbai

ANNEXURE 'F'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy:

(i) Energy conservation measures taken	<ul style="list-style-type: none"> Combustion optimization achieved. Optimizing excess air by reducing APH inlet O2 set-point High energy drain audit and rectification of identified passing valves at earliest opportunity. Initiative for APC reduction: <ol style="list-style-type: none"> CT fans blade angle optimization during winter season. Stopping of 1 out of 3CW pumps at part load operation in winter season. Unit startup with one set of fan. Optimization of Raw water consumption by proper water management.
(ii) Steps taken for utilizing alternate sources of energy	-
(iii) Capital investment on energy conservation equipment	-

B. Technology absorption:

(i) Efforts made towards technology absorption	<ul style="list-style-type: none"> Coal Auger Sampler (for availability) Installation of Energy management System through PI system. Duct diverters at Furnace Exit in Economiser area. Reliability Centered Maintenance (RCM)
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> Representative coal sample collection from Hyva Top. Cost reduction by identifying the equipment's consuming more power. To reduce erosion of the tubes near the area due to Flue gas velocity. To reduce O&M expenditure and healthy life of the units through optimizing their performance.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a) The details of technology imported b) The year of import c) Whether the technology been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Nil
(iv) The expenditure incurred on Research and Development	Nil

C. Foreign exchange earnings and outgo:

(₹ crore)

Particulars – Standalone	FY20	FY19	FY18
Foreign Exchange Earnings mainly on account of interest, dividend	-	-	-
Foreign Exchange Outflow mainly on account of:			
Fuel purchase	-	63.24	-
Interest on foreign currency borrowings	-	-	-
Purchase of capital equipment, components and spares and other miscellaneous expenses	2.45	0.06	1.10

ANNEXURE 'G'**Form No. MR.3****Secretarial Audit Report**For The Financial Year Ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Maithon Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maithon Power 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of 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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing. (Not Applicable to the Company during the audit period).
- (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, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (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
 - (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
 - b) The Electricity Rules 2005
 - c) National Tariff Policy
 - d) Explosives Act 1884
 - e) Mines and Minerals (Regulation and Development) Act, 1957

ANNEXURE 'G' (Contd.)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings which are generally complied with.
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted 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 and agenda items 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 Meeting 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 have 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

Mitesh Dhaliwala
Partner
FCS No. 8331
CP No. 9511

Date: 27th April 2020
Place: Mumbai

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,
Maithon Power 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 processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 procedures 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.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No. 8331
CP No. 9511

Date: 27th April 2020
Place: Mumbai

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 'H'
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

i)	CIN	U74899MH2000PLC267297
ii)	Registration Date	26 th July 2000
iii)	Name of the Company	Maithon Power Limited
iv)	Category/Sub-Category of the Company	Company having share capital
v)	Address of the Registered Office and contact details	Corporate Center, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009
vi)	Whether listed Company	Yes (Debt listed)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel No. : +91 22 6656 8484 Fax No. :+ 91 22 66568494 Email: nnair@tsrdarashaw.com Contact Person : Ms. Nandini Nair, Chief Manager

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

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Generation of Electricity	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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	74.00	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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	-	392318609	392318609	26.00	-	392318609	392318609	26.00	-

ANNEXURE 'H' (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1116599120	1116599120	74.00	-	1116599120	1116599120	74.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-
(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)	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-

ANNEXURE 'H' (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDR & ADR	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1508917729	1508917729	100.00	-	1508917729	1508917729	100.00	-

(ii) Shareholding of Promoters

Sr. 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	1116599120	74.00	-	1116599120	74.00	-	-
2	Damodar Valley Corporation	392318609	26.00	-	392318609	26.00	-	-
	Total	1508917729	100.00	-	1508917729	100.00	-	-

ANNEXURE 'H' (Contd.)**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		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
	At the beginning of the year	1508917729	100.00	1508917729	100.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	-	-	-	-
	At the end of the year	1508917729	100.00	1508917729	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity, etc):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

ANNEXURE 'H' (Contd.)

V. INDEBTEDNESS

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

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	2408.14	-	-	2408.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.32	-	-	21.32
Total (i+ii+iii)	2429.46	-	-	2429.46
Change in indebtedness during the financial year				
• Addition	250	-	-	250
• Reduction	141.11	-	-	141.11
Net Change	108.90	-	-	108.90
Indebtedness at the end of the financial year				
I) Principal Amount	2073.84	-	-	2073.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.05	-	-	28.05
Total (i+ii+iii)	2101.89	-	-	2101.89

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (₹ crore)
1	Gross salary	NA	NA
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - other, specify	-	-
5.	Others, please specify	-	-
	Total (A)	NA	NA
	Ceiling as per the Act (@5% of profit calculated under Section 198 of the Companies Act, 2013)	-	22.8

ANNEXURE 'H' (Contd.)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1	Independent Directors	-	-
	Fee for attending Board/Committee meetings	Mr. Narendra Nath Misra Ms. Neera Saggi Mr. Krishnava Dutt	7,25,000 9,05,000 6,60,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)		22,90,000
2	Other Non-Executive Directors		-
	Fee for attending Board/Committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (1+2)		22,90,000
	Ceiling as per the Act(@1% of profit calculated under Section 198 of the Companies Act, 2013)	-	(4.56 crore)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ lakh)
		Mr. Ramesh Jha Chief Executive Officer*	Mr. Satish Kumar Chief Financial Officer	Ms. Poonam Shirke Company Secretary^	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	84,11,207	58,22,184	4,43,564	1,46,76,955
	(b) Value of perquisites Under Section 17(2) of the Income Tax Act, 1961	6,26,903	4,51,580	-	10,78,483
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - other, specify	-	-	-	-
5.	Others, please specify	3,25,980	2,67,104	24,693	6,17,915
	Total (A)	93,65,509	65,40,468	4,68,257	1,63,72,633

ANNEXURE 'H' (Contd.)

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT

To the Members of Maithon Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Maithon Power Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Accrual of Recoverable from Beneficiaries/Payable to Beneficiaries for items which are subject matter of true up in tariff orders (as described in note 10 and note 21 of the Ind AS financial statements)	
<p>The Company's revenue recognition is guided by the tariff norms prescribed by the Central Electricity Regulatory Commission (CERC) guidelines and the tariff orders passed based on these regulations.</p> <p>Consequently, Recoverable from Beneficiaries/Payable to Beneficiaries is recognized for items which are subject matter of true up in tariff orders to be notified in future years. Judgement is exercised by management in estimating Recover ability / payability of such other assets and liabilities in the books. As on 31st March 2020, the Company is carrying an amount of Rs. 135.20 crores as Payable to Beneficiaries (Net of Recoverable from Beneficiaries of Rs 200.06 crores) which is material to the financial statements of the Company. Considering the judgements involved in the estimates of various elements of capital and operational costs</p>	<p>Following procedures have been performed to address this key audit matter:</p> <ol style="list-style-type: none"> 1. We have tested the design and operating effectiveness of key controls related to the valuation and Recover ability of such Recoverable from Beneficiaries/Payable to Beneficiaries. 2. We have evaluated the estimation by management of recognition of these Recoverable from Beneficiaries/Payable to Beneficiaries with reference to Tariff Regulations and the tariff orders of earlier years on similar matters and also the underlying records of the Company. 3. We also evaluated the True-up orders passed by CERC during the year on certain balances of Recoverable from Beneficiaries/Payable to Beneficiaries to determine the consistency and appropriateness of principles applied by the Company in determining and measuring these Other assets and liabilities. 4. We discussed with management to understand their assessment on each of the qualitative factors and ensured consistency of the management's explanation with the underlying documentation, rules and regulations.

Key audit matters	How our audit addressed the key audit matter
used in the computation of revenue as per applicable regulations and the amount involved we have determined this to be a key audit matter.	<ol style="list-style-type: none"> 5. We have re-calculated the workings obtained from the management to check the arithmetical accuracy of the calculations. 6. We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.
<u>Recover ability of MAT Credit Entitlement in future</u> <i>(as described in note 20d of the Ind AS financial statements)</i>	
<p>The Company does not have taxable income owing to unabsorbed depreciation and benefits of section 80IA of Income Tax Act, 1961 and therefore it has been paying. Minimum Alternate Tax (MAT) under the relevant provisions of the Income Tax Act, 1961. The Act also provides that such MAT paid can be carried forward (MAT credit entitlement) for set off against regular tax payable in subsequent fifteen years period.</p> <p>Such MAT credit entitlements are recognized when it is probable that normal taxable profit will be available against which these MAT credits can be utilized. The Company's ability to recognize these MAT credit assets is assessed by management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the land in force. The assumptions on these projections are determined by management.</p> <p>At March 31, 2020, MAT credit entitlement recognized in the Company's financial statements amounts to Rs. 369.39 crores.</p> <p>Given the degree of judgment involved in making a forecast of the profitability of the Company and the materiality of the amounts involved, we considered this to be a key audit matter.</p>	<p>Following procedures have been performed to address this key audit matter:-</p> <ol style="list-style-type: none"> 1. We have tested the design and operating effectiveness of key controls related to the computation and recognition of such MAT credit. 2. We have assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. 3. We have assessed the likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income. 4. We have tested the arithmetical accuracy of the future taxability workings prepared by the management. <p>We have also checked the adequacy of the disclosure on these matters in the financial statements of the Company.</p>

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

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

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

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;
 - 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 Kamal Agarwal

Partner

Membership Number: 058652

UDIN: 20058652AAAAAO1731

Place of Signature: Kolkata

Date: April 27, 2020

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

(I)

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land which are freehold, are in the name of the Company as at the balance sheet date, except the following:

Type of Land	Area	Amount in crores	Remarks
Raiyati Land (Free hold) located at Maithon, Jharkhand.	564.67 acres	159.80	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). Pending transfer of title as per the shareholders agreement, the Company had entered into an Indenture deed with DVC on 5 December, 2008, which provided inter-alia, lease of private land for a period of 35 years (and extendable for another 35 years at the option of the Company).
Railway Land (Freehold Land) located at Maithon, Jharkhand.	66.74 acres	137.12	The title deed to the Private land is in the name of Damodar Valley Corporation (DVC). As required by the shareholders agreement, DVC is in the process of transferring title in these lands in favour of the Company as per applicable laws of the State of Jharkhand.

Further, the Company is also in possession of leasehold land amounting to Rs. 69.09 crores, the original title deeds whereof could not be verified by us in view of nationwide lockdown consequent to the Corona virus pandemic, and hence we are unable to comment upon the same.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) According to the information and explanation given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders. The Company did not have any outstanding loans or borrowing in respect of financial institution and government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. The term loan have been applied for the purpose 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 / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us 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) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: April 27, 2020

"ANNEXURE 2 " TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAITHON POWER 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 Maithon Power Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

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

Opinion

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

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: April 27, 2020

Balance Sheet as at 31st March, 2020

	Notes	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	5	3,217.73	3,337.16
(b) Capital Work-in-Progress		476.39	360.28
(c) Intangible Assets	6	0.37	0.49
(d) Financial Assets			
(i) Loans	7	0.19	0.25
(ii) Other Financial Assets	8	0.41	0.34
(e) Non-current Tax Assets (Net)	9	7.66	9.75
(f) Other Non-current Assets	10	38.46	104.51
Total Non-current Assets		3,741.21	3,812.78
Current Assets			
(a) Inventories	11	205.49	218.47
(b) Financial Assets			
(i) Loans	7	0.02	0.02
(ii) Investments	12	166.33	-
(iii) Trade Receivables	13	217.71	362.99
(iv) Unbilled Revenue		31.77	98.79
(v) Cash and Cash Equivalents	14	84.65	0.10
(c) Other Current Assets	10	154.27	367.13
Total Current Assets		860.24	1,047.50
Total Assets		4,601.45	4,860.28
Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	1,508.92	1,508.92
(b) Other Equity	16	559.51	571.69
Total Equity		2,068.43	2,080.61
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,247.03	1,759.54
(ii) Other Financial Liabilities	18	11.88	9.29
(b) Long Term Provisions	19	8.76	5.20
(c) Deferred Tax Liabilities (Net)	20	52.60	14.34
(d) Other Non-current Liabilities	21	16.97	16.97
Total Non-current Liabilities		1,337.24	1,805.34

Balance Sheet as at 31st March, 2020 (Contd.)

	Notes	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	15.00	460.98
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	23	0.24	0.37
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		168.96	161.43
(iii) Other Financial Liabilities	18	868.27	311.96
(b) Provisions	19	0.37	5.35
(c) Current Tax Liabilities (Net)	9	1.18	12.59
(d) Other Current Liabilities	21	141.76	21.65
Total Current Liabilities		1,195.78	974.33
Total Liabilities		2,533.02	2,779.67
Total Equity and Liabilities		4,601.45	4,860.28

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal

Partner

Membership No: 058652

Place: Kolkata

Date: 27th April, 2020**Ramesh Subramanyam**

Chairman

Place: Mumbai

Date: 27th April, 2020

For and on behalf of the Board,

Suvamay Halder

Director

Place: Kolkata

Date: 27th April, 2020**Ramesh Jha**

Chief Executive Officer

Place: Dhanbad

Date: 27th April, 2020**Poonam Shirke**

Company Secretary

Place: Mumbai

Date: 27th April, 2020**Satish Kumar**

Chief Financial Officer

Place: Dhanbad

Date: 27th April, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

	Notes	Year Ended 31 st March, 2020 ₹ Crores	Year Ended 31 st March, 2019 ₹ Crores
(I) Revenue from Operations	24	2,741.17	2,776.05
(II) Other Income	25	28.33	65.05
(III) Total Income		2,769.50	2,841.10
(IV) Expenses			
Cost of Power Purchased		1.78	1.40
Cost of Fuel Consumed		1575.51	1769.85
Employee Benefits Expense	26	40.80	41.18
Depreciation and Amortisation Expenses	27	243.81	238.24
Finance Costs	28	193.11	204.85
Other Expenses	29	257.83	226.86
Total Expenses		2,312.84	2,482.38
(V) Profit Before Tax		456.66	358.72
(VI) Tax Expense			
Current Tax		80.13	77.78
Adjustment of tax relating to earlier period		0.45	0.02
Deferred Tax		38.26	8.03
Income Tax Expense	30	118.84	85.83
(VII) Profit For The Year		337.82	272.89
(VIII) Other Comprehensive Income			
Add/(Less):			
(i) Items that will not be reclassified to profit and loss		0.00*	(0.48)
(a) Remeasurement of the Defined Benefit Plans		0.00*	(0.48)
(ii) Tax relating to items that will not be reclassified to Profit & Loss		0.00*	0.17
(a) Current Tax		0.00*	0.17
Total Other Comprehensive Income (Net of taxes)		0.00*	(0.31)
(IX) Total Comprehensive Income for the year		337.82	272.58
(X) Earnings Per Equity Share (Face Value ₹ 10/- Per Share)	33		
(i) Basic (₹)		2.24	1.81
(ii) Diluted (₹)		2.24	1.81

* Amount is lesser than the rounding off norms followed by the Company.

See accompanying notes to the Financial Statements

1-41

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal

Partner

Membership No: 058652

Place: Kolkata

Date: 27th April, 2020

Ramesh Subramanyam

Chairman

Place: Mumbai

Date: 27th April, 2020

Suvamay Halder

Director

Place: Kolkata

Date: 27th April, 2020

Ramesh Jha

Chief Executive Officer

Place: Dhanbad

Date: 27th April, 2020

Poonam Shirke

Company Secretary

Place: Mumbai

Date: 27th April, 2020

Satish Kumar

Chief Financial Officer

Place: Dhanbad

Date: 27th April, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

₹ Crores

Equity Shares of ₹10 each issued, subscribed and fully paid

	No. of Shares	Amount
Balance as at 1 st April, 2018	1,50,89,17,729	1,508.92
Balance as at 31 st March, 2019	1,50,89,17,729	1,508.92
Balance as at 1 st April, 2019	1,50,89,17,729	1,508.92
Balance as at 31 st March, 2020	1,50,89,17,729	1,508.92

B. Other Equity

₹ Crores

	Reserves and Surplus		
	Debtur Redemption Reserve	Retained Earnings	Total
Balance as at 1 st April, 2018	60.56	413.55	474.11
Profit for the year	-	272.89	272.89
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	(0.31)	(0.31)
Total Comprehensive Income	-	272.58	272.58
Dividend paid	-	(145.16)	(145.16)
Dividend Distribution Tax	-	(29.84)	(29.84)
Transfer to Debtur Redemption Reserve	34.20	(34.20)	-
	34.20	(209.20)	(175.00)
Balance as at 31 st March, 2019	94.76	476.93	571.69
Balance as at 1 st April, 2019	94.76	476.93	571.69
Profit for the year	-	337.82	337.82
Other Comprehensive Income/(Expense) for the year (Net of Tax)	-	0.00*	0.00
Total Comprehensive Income	-	337.82	337.82
Dividend paid	-	(290.32)	(290.32)
Dividend Distribution Tax	-	(59.68)	(59.68)
Transfer to Debtur Redemption Reserve	34.29	(34.29)	-
	34.29	(384.29)	(350.00)
Balance as at 31 st March, 2020	129.05	430.46	559.51

* Amount is lesser than the rounding off norms followed by the Company.

See accompanying notes to the Financial Statements

1-41

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal

Partner

Membership No: 058652

Place: Kolkata

Date: 27th April, 2020

Ramesh Subramanyam

Chairman

Place: Mumbai

Date: 27th April, 2020

For and on behalf of the Board,

Suvamay Halder

Director

Place: Kolkata

Date: 27th April, 2020

Ramesh Jha

Chief Executive Officer

Place: Dhanbad

Date: 27th April, 2020

Poonam Shirke

Company Secretary

Place: Mumbai

Date: 27th April, 2020

Satish Kumar

Chief Financial Officer

Place: Dhanbad

Date: 27th April, 2020

Statement of Cash Flows For Year ended 31st March, 2020

Particulars	For Year Ended 31 st March, 2020 ₹ Crores	For Year Ended 31 st March, 2019 ₹ Crores
A. Cash Flow from Operating Activities		
Profit before Taxes	456.66	358.72
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and Amortisation Expenses	243.81	238.24
Finance Costs	193.11	204.85
Interest Income	(0.14)	(0.26)
Amortization of Leasehold Land	-	6.01
Late Payment Surcharge	(20.79)	(58.64)
(Gain) / Loss on disposal of Property, Plant and Equipment (Net)	(0.04)	0.03
Profit on sale of Investments (Net)	(4.34)	(3.72)
Operating Profit before Working Capital Changes	868.27	745.23
Working Capital Adjustments		
Trade Receivable	145.28	(99.36)
Unbilled Revenue	67.02	(58.60)
Inventories	12.97	(108.69)
Other Current Assets	208.69	(155.03)
Other Non-Current Assets	-	(16.74)
Other Non Current Financial Assets	(0.01)	(0.04)
Trade Payables	7.40	10.47
Other Current Liabilities	138.01	(2.29)
Other Financial current liabilities	(0.43)	(313.19)
Short-term provisions	(4.99)	3.67
Long-term provisions	3.56	(2.16)
Cash Generated from Operations	1,445.77	3.29
Income Taxes Paid	(89.89)	(64.67)
Net Cash flow from/(used) in Operating Activities	1,355.88	(61.39)
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(154.64)	(126.54)
Proceeds from sale of Property, Plant and Equipment	0.05	0.04
Purchase of Current Investments	(2,309.53)	(2,195.96)
Proceeds from sale of Current Investments	2,147.54	2,298.23
Interest Received	0.14	0.26
Late Payment Surcharge received	20.79	58.64
Net Cash used in Investing Activities	(295.65)	34.67

Statement of Cash Flows For Year ended 31st March, 2020 (Contd.)

Particulars	For Year Ended 31 st March, 2020 ₹ Crores	For Year Ended 31 st March, 2019 ₹ Crores
C. Cash Flow from Financing Activities		
Repayment of Non Current Borrowings	(141.10)	(188.14)
Proceeds from Non Current Borrowings	250.00	-
Proceeds from Current Borrowings	2,478.80	2,222.09
Repayment of Current Borrowings	(2,924.78)	(1,789.15)
Interest Paid	(183.60)	(198.09)
Dividend Paid	(377.42)	(58.00)
Dividend Distribution Tax	(77.58)	(12.00)
Net Cash from Financing Activities	(975.68)	(23.28)
Net (Decrease)/Increase in Cash and Cash Equivalents	84.55	(49.99)
Cash and Cash Equivalents as at 1 st April, 2019 (Opening Balance)	0.10	50.09
Cash and Cash Equivalents as at 31st March, 2020	84.65	0.10

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Cash and Cash Equivalents include:		
(i) Balances with banks		
In current accounts	84.65	0.10
	84.65	0.10

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal

Partner

Membership No: 058652

Place: Kolkata

Date: 27th April, 2020**Ramesh Subramanyam**

Chairman

Place: Mumbai

Date: 27th April, 2020

For and on behalf of the Board,

Suvamay Halder

Director

Place: Kolkata

Date: 27th April, 2020**Ramesh Jha**

Chief Executive Officer

Place: Dhanbad

Date: 27th April, 2020**Poonam Shirke**

Company Secretary

Place: Mumbai

Date: 27th April, 2020**Satish Kumar**

Chief Financial Officer

Place: Dhanbad

Date: 27th April, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

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

The financial statements have been approved for issue in accordance with a resolution of the directors on 27th April, 2020

2. Significant Accounting Policies

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

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

Accounting Policy are consistent with earlier years unless stated otherwise.

3. Summary of Significant Accounting Policies

3.1 Leases

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

Company as a lessee

i) Right - of - use - assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land: 05 to 35 years

The right-of-use assets are also subject to impairment in accordance with Ind AS 36 "Impairment of assets". The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease Liabilities

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

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

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Contingent rents are recognised as revenue in the period in which they are earned.

3.2 Foreign Currencies

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

3.3 Current Vs Non Current

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

3.4 Financial Instruments

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

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

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

3.5 Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

3.5.1 Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the profit or loss.

3.5.2 Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

3.5.3 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.

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

3.5.4 Derecognition of Financial Assets

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

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

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

3.5.5 Impairment of financial assets

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

3.6 Financial Liabilities

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

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- a) Financial liabilities at fair value through profit or loss
- b) Financial liabilities at amortised cost (loans and borrowings)

3.6.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

3.6.2 Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.6.3 Derecognition of Financial Liabilities

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.7 Offsetting of financial instruments

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

3.8 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 the discretion of the Company. 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.

3.9 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- a) Estimation of current tax and deferred tax expense (including Minimum alternate tax credit) - Note 20 and Note 30

- b) Recoverable from Beneficiaries / Payable to Beneficiaries - Note 10 and Note 21
- c) Estimation on recoverability of Late Payment Surcharge (LPS) – Note 25
- d) Estimation of defined benefit obligations- Note 19
- e) Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Company - Note 32.

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

4. Changes in accounting policies and disclosure

Ind AS 116 Leases.

Ind AS 116 Leases was notified in March 2019 and it replaced Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company has adopted Ind AS 116 'Leases' with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company.

On adoption of Ind AS 116, the Company has reclassified unamortised premium for Leasehold Land as 'Right-of-use' assets amounting to ₹ 73.31 crore (adjusted by the prepaid lease payments amounting to ₹ 73.31 crore) and 'Lease liabilities' amounting to ₹ Nil, as at April 1, 2019. There is no impact on retained earnings as at April 1, 2019. (Refer note 5B)

5. Property, Plant and Equipment

5.1 Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and 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 Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

5.2 Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

5.3 Depreciation

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

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

Depreciation on all other assets is recognised on the cost of assets (other than freehold land) less their residual values over their estimated useful lives, using the straight-line method

5.5 Useful lives of tangible assets:

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipments over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

5.6 Derecognition of tangible assets

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 equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

5.7 Impairment of tangible and intangible assets

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

Impairment losses of tangible and intangible assets are recognised in the statement of profit and loss.

(A) Owned Assets

Description	₹Crores						
	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles
Cost or Valuation							
Balance as at 1 st April, 2019	298.64	251.11	177.94	4,252.89	13.58	6.98	2.88
Additions	-	2.75	0.63	47.21	0.32	0.09	-
Disposals	-	-	-	(0.52)	-	-	(0.16)
Balance as at 31st March, 2020	298.64	253.86	178.57	4,299.58	13.90	7.07	2.72
Accumulated depreciation							
Balance as at 1 st April, 2019	-	53.06	27.49	1,569.10	8.89	6.30	2.02
Depreciation Expense (Refer Note 27)	-	8.41	5.90	223.44	1.18	0.22	0.34
Disposal of assets	-	-	-	(0.48)	-	-	(0.15)
Balance as at 31st March, 2020		61.47	33.38	1,792.07	10.07	6.50	2.21
Net carrying amount							
As at 31 st March, 2020	298.64	192.39	145.19	2,507.51	3.83	0.57	0.51
As at 31 st March, 2019	298.64	198.05	150.45	2,683.79	4.69	0.68	0.86

₹Crores

Description	Freehold Land	Buildings - Plant	Buildings - Others	Plant and Equipment	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
Cost or Valuation								
Balance as at 1st April, 2018	296.92	245.14	176.43	4,238.65	13.41	7.15	3.20	4,980.90
Additions	1.72	5.97	1.51	14.41	0.17	-	0.15	23.93
Disposals	-	-	-	(0.17)	-	(0.17)	(0.47)	(0.81)
Balance as at 31st March, 2019	298.64	251.11	177.94	4,252.89	13.58	6.98	2.88	5,004.02
Accumulated depreciation								
Balance as at 1st April, 2018	-	44.78	21.62	1,347.19	7.60	6.17	2.09	1,429.45
Depreciation Expense (Refer Note 27)	-	8.28	5.87	222.04	1.29	0.30	0.38	238.16
Disposal of assets	-	-	-	(0.13)	-	(0.17)	(0.45)	(0.75)
Balance as at 31st March, 2019 ...	-	53.06	27.49	1,569.10	8.89	6.30	2.02	1,666.86
Net carrying amount								
As at 31st March, 2019	298.64	198.05	150.45	2,683.79	4.69	0.68	0.86	3,337.16
As at 31st March, 2018	296.92	200.36	154.81	2,891.46	5.81	0.97	1.12	3,551.45

Note:

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

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

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

- (b) Railway infrastructure land of 133 acres comprising Private land (70 acres), Gair Mazura (GM) land (28 acres) and Eastern Railway land (35 acres) was identified exclusively for the Railway Corridor of Maithon Right Bank Thermal Power Project.

DVC has acquired Private land (67 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease in these lands in favour of the Company as per applicable laws of the State of Jharkhand. The Company has directly acquired 2.72 acres out of 3.12 acres in name of Company and the balance is in process of acquiring.

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

- (c) The Company has elected to fair value its freehold land and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, the freehold land is carried at fair value of ₹ 296.92 crores and carrying amount reported under previous GAAP was ₹ 172.71 crores. Accordingly an amount of ₹ 123.51 crores has been credited to retained earnings as at 1 April, 2015 (transition date).
- (d) Freehold land with a carrying amount of ₹ 298.64 crores (as at 31 March, 2019 - ₹ 298.64 crores) has been mortgage to secure borrowings of the Company (see note 17).
- (e) Computers are included under Plant and Equipment.

(B) Right - of - use - assets

₹Crores

Description**Cost**Balance as on 1st April 2019 (Refer note 4)

98.78

98.78

Balance as at 31st March, 2020**98.78****98.78****Accumulated depreciation**Balance as on 1st April 2019 (Refer note 4)

25.47

25.47

Depreciation Expense (Refer Note 27)

4.22

4.22

Balance as at 31st March, 2020**29.69****29.69****Net carrying amount****As at 31st March, 2020****69.09****69.09****As at 1st April, 2019****73.31****73.31****Lessee**

The Company has lease contracts for various items of plant, machinery, land, vehicles and other equipment used in its operations. Leases of land generally have lease terms between 05 and 35 years. Expenses related to leases of low value asset has been charged to statement of profit and loss account as lease rent amounting ₹0.68 crores during the current year. (Refer note 3.1)

Note:

- (a) Out of Plant land of 1,116 acres, DVC had acquired GM Land (115 acres) and Forest Land (436 acres) from the State of Jharkhand with the right to use them for the project. As per the Shareholders Agreement, the lease is to be transferred to the Company. Pending transfer of lease in the name of the Company by DVC, the Company had entered into a License Agreement with DVC for GM Land (115 acres) and Forest Land (238 acres) on 18 January, 2008 for use of these lands initially for a period of five years and which is to be automatically renewed thereafter. The Company has received demand for 191 acres of Jungle Jhar (Forest Land) from Government of Jharkhand and has made payment of requisite amount and is in process of execution of lease from Government of Jharkhand directly in the name of Company.

The expenditure in connection with GM land and Forest land has been included in Right of Use Assets.

- (b) Out of Railway infrastructure land of 133 acres, DVC has acquired GM land (18 acres). As per the shareholders agreement, the title / lease of these lands is to be transferred to the Company. DVC is in the process of transferring title / lease of these lands in favour of the Company as per applicable laws of the State of Jharkhand. The Company has directly paid requisite amount for balance GM Land (10 acres) and is in process of execution of lease agreement from Government of Jharkhand directly in the name of Company.

The Company has acquired 35 acres (14.274 hectares) through lease from Eastern Railway (ER) as required for the construction of railway infrastructure. The said land has been licensed for five years by the ER in favour of your Company with a provision of successive renewal. The expenditure in connection with GM land and Eastern Railway land has been included in Right of Use Assets.

6. Other Intangible Assets**Accounting Policy****6.1. Intangible assets acquired separately**

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

6.2. Internally generated intangibles

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

6.3. Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

6.4. Derecognition of intangible assets

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

6.5. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Lives
Computer Software	5 years

₹ Crores

Description	Computer software	Total
Cost		
Balance as at 1 st April, 2019	1.06	1.06
Balance as at 31 st March, 2020	1.06	1.06
Accumulated amortisation		
Balance as at 1 st April, 2019	0.57	0.57
Amortisation expense (Refer Note 27)	0.12	0.12
Balance as at 31 st March, 2020	0.69	0.69
Net Book Value		
As at 31 st March, 2020	0.37	0.37
As at 31 st March, 2019	0.49	0.49

Description	Computer software	Total
Cost		
Balance as at 1 st April, 2018	0.50	0.50
Additions	0.56	0.56
Balance as at 31 st March, 2019	1.06	1.06
Accumulated amortisation		
Balance as at 1 st April, 2018	0.48	0.48
Amortisation expense (Refer Note 27)	0.09	0.09
Balance as at 31 st March, 2019	0.57	0.57
Net Book Value		
As at 31 st March, 2019	0.49	0.49
As at 31 st March, 2018	0.02	0.02

7. Loans**Unsecured and considered good unless otherwise stated****Non-current**

Loans to Employees

Including loans due by officers of the Company - ₹ 0.01 Crores

(As at March 31, 2019 - ₹ 0.01 Crores) 0.19

Current

Loans to Employees

Including loans due by officers of the Company - ₹ 0.00 Crores

(As at March 31, 2019 - ₹ 0.00 Crores)* 0.02

* Amount is lesser than the rounding off norms followed by the Company.

8. Other Financial Assets**Non-current****Security Deposit**

With related parties (Refer note 34) 0.28

With Others 0.12

With bank in deposit accounts* 0.01

* Under lien with District Mining Authority, Jharkhand

9. Tax Assets / Liabilities**Non-current tax assets**

Advance Income-tax (Net) 7.66

Current tax liabilities

Income Tax Payable(Net) 1.18

10. Other Assets**Non-current**

(Unsecured, considered good)

(i) Capital Advances 21.72

(ii) Unamortised Premium for Leasehold Land (Refer Note 4) -

(iii) Other Advances

Claims Receivable from Supplier 16.74

Current

(Unsecured, Considered Good)

(i) Unamortised Premium for Leasehold Land (Refer Note 4) -

(ii) Other

Prepaid Expenses 0.70

Advances to Vendors 153.57

(iii) Recoverable from Beneficiaries (Net) (Refer note 24) -

As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
0.19	0.25
0.19	0.25
0.02	0.02
0.02	0.02
0.28	0.20
0.12	0.13
0.01	0.01
0.41	0.34
7.66	9.75
7.66	9.75
1.18	12.59
1.18	12.59
21.72	18.64
-	69.14
16.74	16.73
38.46	104.51
-	4.17
0.70	3.91
153.57	100.69
154.27	104.60
-	258.36
154.27	367.13

11. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on weighted average basis. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
(a) Raw Materials (lower of cost and net realisable value)		
Fuel	154.37	155.68
Fuel-in-Transit	1.52	19.11
(b) Stores and Spares		
Stores and Spare Parts	49.60	43.61
(c) Loose Tools	-	0.07
	205.49	218.47

12. Current Investments

Investments carried at Fair Value through Profit and Loss

Mutual Funds (Quoted)

i. SBI Liquid Fund - Direct Plan - Growth	53.99	-
17,36,58.926 units (31 st March, 2019 : Nil units)		
ii. Kotak Overnight Fund - Direct Plan Growth [^]	59.00	-
2,72,086.479 units (31 st March, 2019 : Nil units)		
iii. Axis Liquid Fund - Direct growth	49.56	-
2,24,837.986 units (31 st March, 2019 : Nil units)		
iv. TATA Liquid Fund Direct Growth	3.78	-
1,21,24.351 units (31 st March, 2019 : Nil units)		
	166.33	-

[^] This includes ₹ 30.00 Crore invested on 31st March 2020 for which 2,81,449.891 units were allotted after Balance Sheet date

Notes:

- Aggregate Market Value of Quoted Investments
- Aggregate Carrying Value of Quoted Investments

13. Trade Receivables

Current Trade Receivables

Secured Considered good	177.32	170.91
Unsecured Considered good	40.39	192.08
	217.71	362.99

The average credit period for the Company's receivable from its sale of power is 60 days. As per the relevant provisions of the CERC Regulations, penal interest @ 18% pa is claimable from the customers as Late payment Surcharge (LPS).

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

Age of Receivables

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Within credit period	187.59	281.02
1-90 days past due	19.32	34.21
91-182 days past due	1.31	45.12
More than 182 days past due	9.49	2.65
	217.71	362.99

14. Cash and cash equivalents**Accounting Policy**

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

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

(i) Balances with Banks:

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
In Current Accounts	84.65	0.10
Cash and Cash Equivalents as per Balance Sheet	84.65	0.10
Cash and Cash Equivalents as per Statement of Cash Flows	84.65	0.10

Reconciliation of liabilities from Financing Activities

₹ Crores

Particulars	As at 31 st March, 2019	Cash flows		Non Cash Transactions	As at 31 st March, 2020
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	1,947.16	250.00	(141.10)	2.78	2,058.84
Current Borrowings (excluding Bank Overdraft)	460.98	2,478.80	(2,924.78)	-	15.00
Total	2,408.14	2,728.80	(3,065.88)	2.78	2,073.84

₹ Crores

Particulars	As at 31 st March, 2018	Cash flows		Non Cash Transactions	As at 31 st March, 2019
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	2,129.23	-	(188.14)	6.07	1,947.16
Current Borrowings (excluding Bank Overdraft)	28.18	2,222.09	(1,789.15)	0.15	460.98
Total	2,157.41	2,222.09	(1,977.29)	6.22	2,408.14

15. Equity - Share Capital

	As at 31 st March, 2020		As at 31 st March, 2019	
	Number	₹ Crores	Number	₹ Crores
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
		2,000.00		2,000.00
Issued, Subscribed and Paid-up Capital				
Equity shares of ₹ 10/- each fully paid up.....	1,50,89,17,729	1,508.92	1,50,89,17,729	1,508.92

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

	As at 31 st March, 2020		As at 31 st March, 2019	
	Number	₹ Crores	Number	₹ Crores
Equity Shares				
At the beginning of the year and at the end of the year	1,50,89,17,729	1,508.92	1,50,89,17,729	1,508.92

Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

	As at 31 st March, 2020		As at 31 st March, 2019	
	Number	% Holding	Number	% Holding
Equity Shares of ₹10/- each fully paid				
The Tata Power Company Limited (the holding Company)	1,11,65,99,120	74%	1,11,65,99,120	74%
Damodar Valley Corporation	39,23,18,609	26%	39,23,18,609	26%

16. Other Equity**(i) Debenture Redemption Reserve (DRR)**

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
As at the beginning of the year	94.76	60.56
Add: Amount transferred from Retained Earnings	34.29	34.20
As at the end of the year	129.05	94.76

(ii) Retained Earnings

As at the beginning of the year	476.93	413.55
Add: Remeasurement of Defined Benefit Obligation (Net of Tax)	0.00*	(0.31)
Profit for the period	337.82	272.89
Less: Dividend	290.32	145.16
Dividend Distribution Tax	59.68	29.84
Transfer to Debenture Redemption Reserve	34.29	34.20
Movement for the year	(46.47)	63.38
As at the end of the year	430.46	476.93
	559.51	571.69

Note:

- The shareholders of the Company in their meeting held on 14th June 2019 approved final dividend of ₹1.51 per share aggregating ₹ 228.11 crore (excluding dividend distribution tax) for the financial year 2018-19. The said dividend was paid to the holders of fully paid equity shares on 17th June, 2019.
- On 23th March, 2020, Interim dividend of ₹0.41 per share (4.12%) aggregating ₹62.21 Crore (excluding dividend distribution tax) was declared and paid to the holders of the fully paid equity shares on 27th March, 2020.

* Amount is lesser than the rounding off norms followed by the Company.

Nature and purpose of reserves:**Debenture Redemption Reserve**

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

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

17. Non-current Borrowings**Secured - At Amortised Cost**

	As at 31 st March, 2020 ₹ Crores		As at 31 st March, 2019 ₹ Crores	
	Non-current	Current Maturities*	Non-current	Current Maturities*
(i) Redeemable Non-Convertible Debentures (See Note I & II below)	997.03	-	996.28	-
(ii) Term Loans from Banks (See Note III & IV below)				
(a) State Bank of India	-	811.81	763.26	187.62
(b) Axis Bank	250.00	-	-	-
	250.00	811.81	763.26	187.62
	1,247.03	811.81	1,759.54	187.62

* (Refer Note 18)

I. Redeemable Non-Convertible Debentures issued on 30th November 2015

- The Company has issued ₹ 500.00 crores of secured, non-cumulative and non-convertible redeemable debentures of face value ₹10.00 lakhs each on 30 November, 2015 at par. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).
- These debentures have been secured in favour of the debenture trustee by a first ranking pari passu mortgage (by way of an equitable or any other mortgage) and charge over all the immovable properties including the freehold land of the plant and railway (included under property, plant and equipment as freehold land) of the issuer, both present and future.
- These debentures carry a floating rate which is base rate of HDFC Bank Limited plus 15 basis points. Interest is payable on the November of each year.

II. Redeemable Non-Convertible Debentures issued on 9th February 2017

- The Company has issued ₹ 500.00 crores of secured, non-cumulative and non-convertible redeemable debentures of face value ₹0.50 crores on 9 February, 2017 at par respectively. The debentures have been issued for the part-refinancing of the outstanding term loan from banks and financial institution. The debentures are listed in the wholesale debts market segment of National Stock Exchange of India Limited (NSE).
- These debentures have been secured by a first ranking pari passu mortgage (by way of an equitable or any other mortgage) and charge over all the immovable properties including the freehold land of the plant and railway (included under property, plant and equipment as freehold land), all movable properties and assets, all the bank accounts, all current assets, all intangible assets, both present and future. Assignment by way of security over letter of credit, performance bonds or guarantees provided by any person, all the rights, title, interest, benefits, claims and demands, whatsoever of the Issuer in each of the Project Documents, all Insurance Contracts/proceeds under Insurance Contracts, in relation to the Project of the issuer. The above security will at all times, rank pari-passu inter se the Existing Lenders and the Debenture holders.
- The debentures carry a fixed rate of interest of 8% per annum. Interest is payable on the February of each year.

The Company will have to take a prior written no-objection certificate from the debentureholders in the event it intends to create a security over the above secured properties in favour of its working capital lenders over and above ₹ 1000.00 crores.

III. Term loans from State Bank of India

- The Company has enter into loan agreement with the State Bank of India on 18th July, 2017 .
- These loan have been secured by Security as mentioned in above para II-(b)
- Interest rate on term loan rate is SBI 1 year MLCR plus 50 basis points.

IV. Term loans from Axis Bank

- The Company has entered into a Loan Agreement with the Axis Bank on 28th January, 2020
- These loan have been secured by Security as mentioned in above para II-(b)
- Interest rate term loan is Axis bank 12 Month MLCR plus 25 basis points.

Terms of Repayment As at 31st March,2020

Particulars		Amount Outstanding	Repayments						
			FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26 to FY 29-30	FY 30-31 & onwards
(i)	Non-Convertible Debentures issued on 30 th Nov, 2015	500.00	-	165.00	165.00	170.00	-	-	-
(ii)	Non-Convertible Debentures issued on 09 th Feb, 2017	500.00	-	-	100.00	100.00	100.00	200.00	-
(iii)	Term Loan - SBI	813.14	813.14	-	-	-	-	-	-
(iv)	Term Loan - Axis Bank	250.00	-	11.36	22.73	22.73	22.73	113.64	56.82
Less: Impact of recognition of borrowings at amortised cost using EIR		4.30							
Total		2,058.84							

Terms of Repayment As at 31st March, 2019

Particulars		Amount Outstanding	Repayments						
			FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25 to FY 28-29	FY 29-30 & onwards
(i)	Non-Convertible Debentures issued on 30 th Nov, 2015	500.00	-	-	165.00	165.00	170.00	-	-
(ii)	Non-Convertible Debentures issued on 09 th Feb, 2017	500.00	-	-	-	100.00	100.00	300.00	-
(iii)	Term Loan - SBI	954.24	188.14	766.10	-	-	-	-	-
Less: Impact of recognition of borrowings at amortised cost using EIR		7.08							
Total		1,947.16							

18. Other Financial Liabilities**Non-current**

Payables towards Purchase of Property, Plant and Equipment

Current

(a) Current Maturities of Long-term Debt (Refer Note 17)

(b) Interest accrued but not due on Borrowings

(c) Provision for Interim Dividend

(d) Payables towards Purchase of Property, Plant and Equipment

(e) Security Deposits from Others

As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
11.88	9.29
11.88	9.29
811.81	187.62
28.05	21.32
-	87.10
27.86	14.94
0.55	0.98
868.27	311.96

19. Provisions**Accounting Policy**

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

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

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

Defined contribution plans

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

Defined benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liabilities and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained

earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

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

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

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

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

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

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

Current and other non-current employee benefits

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

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

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

	As at 31st March, 2020 ₹ Crores	As at 31st March, 2019 ₹ Crores
Non-current		
Compensated Absences	5.58	1.23
Post-Employment Medical Benefits	0.97	0.71
Other Defined Benefit Plans	1.41	1.46
Other Employee Benefits	0.80	1.80
	8.76	5.20
Current		
Compensated Absences	0.22	3.99
Gratuity (Net)	-	1.09
Post-Employment Medical Benefits	-	0.00*
Other Defined Benefit Plans	0.15	0.14
Other Employee Benefits	-	0.13
	0.37	5.35

* Amount is lesser than the rounding off norms followed by the Company.

Employee Benefit Plans**19.1 Defined Contribution plan**

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

The Company has recognized ₹ 1.48 crores (31st March, 2019 ₹ 1.39 crores) for provident fund contributions and ₹ 0.49 crores (31st March, 2019 ₹ 0.59 crores) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

19.2 Defined benefit plans**(i) Unfunded****Post-Employment Medical Benefits**

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

Pension

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

Ex-Gratia Death Benefit

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

Retirement Gift

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

(ii) Funded**Gratuity Plan**

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement, withdrawal, resignation or death of an employee. The gratuity plan is funded plan. The gratuity fund is managed by Aditya Birla Sun Life Insurance Company Limited. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognized insurer managed funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

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

(iii) Risks associated with Plan Provisions

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest rate risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
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. An increase in the life expectancy of the plan participants such as, an increase in the salary of the plan participants will increase the plan's liability.
Salary escalation 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.
Medical Inflation rate risk	Higher than expected increase in salary and medical cost will increase the defined benefit obligation.
Change in Leave Balances	This is the risk of variability of results due to a significant variation from expected accumulation of leave balances. All other aspects remaining same, higher than expected increase in the leave balances will increase the defined benefit obligation.

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

Particulars	Refer note below	As at 31st March, 2020	As at 31st March, 2019
i. Discount rate (p.a)	1	6.50%	7.40%
ii. Salary escalation rate (p.a)	2	7.00%	7.00%
iii. Retirement Age		60 years	60 years
iv. Mortality Table		Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
v. Withdrawal Rate			
44>Age>21		6.00%	2.50%
Age>44		2.00%	1.00%
vi. Rate of Gold Inflation		8.00%	8.00%
vii. Rate of Medical inflation (p.a)		8.00%	8.00%

Note:

1. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations
2. The gratuity plan is funded
3. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

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

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

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Current service cost	1.06	0.99
Net interest expenses	(0.02)	0.02
Components of defined benefit costs recognized in profit or loss	1.04	1.01

ii. Remeasurement on the net defined benefit liability:

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Actuarial (gain)/Loss due to DBO Experience	(0.32)	0.23
Actuarial (gain)/Loss due to assumption Changes	0.75	0.37
Actuarial (gain)/loss arising during period	0.42	0.60
Return on plan assets (greater)/less than discounting rate	(0.03)	(0.05)
Component of defined benefit costs recognized in Other Comprehensive Income	0.40	0.55

Note:

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

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

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Present value of funded defined benefit obligation	(12.42)	(11.00)
Fair value of plan assets	12.87	10.46
Funded status surplus/(deficit)	0.45	(0.54)

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

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Opening defined benefit obligation	11.00	9.55
Current service cost	1.06	0.99
Interest cost on defined benefit obligation	0.81	0.73
Acquisitions cost	(0.79)	(0.71)
Actuarial (gains) / loss arising from changes in demographic assumptions	(0.35)	-
Actuarial (gains) / loss arising from changes in experience	(0.32)	0.23
Actuarial (gains) / loss arising from changes in financial assumption	1.10	0.37
Benefits paid	(0.09)	(0.16)
Closing defined benefit obligations	12.42	11.00

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

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Opening fair value of plan assets	10.46	8.68
Interest income	0.83	0.71
Employer contributions	1.55	1.02
Return on plan assets (excluding amount included in net interest expenses)	0.03	0.05
Benefits paid	-	-
Closing fair value of plan assets	12.87	10.46

Note:

- 1) The plan assets of the Company managed through a trust are managed by Birla Sun Life Insurance (BSLI) Company Limited. The details of investments relating to these assets are not shown by BSLI. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.
- 2) The Company expects to make a contribution of ₹ Nil (as at 31 March, 2019: 0.54 crores) to defined benefit plan during the next financial year.

vi. Sensitivity analysis

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

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

Particulars	31 st March, 2020 ₹crores		31 st March, 2019 ₹crores	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	0.68	(0.63)	0.66	(0.60)
Salary Growth Rate (-/+0.5%)	(0.63)	0.68	(0.61)	0.66
Withdrawal Rate (-/+ 5%)	-	(0.93)	-	(0.65)

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

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

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

vii. The expected maturity analysis of defined benefit obligation is as follows:

Time Period	31 st March, 2020 ₹crores	31 st March, 2019 ₹crores
Within 1 year	0.43	0.90
Between 1-2 years	0.63	0.22
Between 2-3 years	0.54	0.42
Between 3-4 years	1.02	0.30
Between 4-5 years	1.23	0.76
Beyond 5 years	9.52	9.06
Particulars	31st March, 2020	31st March, 2019
The weighted average duration of the defined benefit plan obligation represents average duration for active members	7.4 years	8.1 years

19.4 Other Defined benefit plans

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

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

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Current service cost	0.99	0.94
Past Service Cost	0.19	0.55
Net interest expenses	0.70	0.62
Actuarial (Gain)/ Loss	(1.20)	0.10
Components of defined benefit costs recognized in profit or loss	0.68	2.21

ii. Remeasurement on the net defined benefit liability:

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Actuarial (gain)/Loss due to Defined Benefit Obligation Experience	(1.56)	(0.16)
Actuarial (gain)/Loss due to assumption Changes	(0.04)	0.10
Component of defined benefit costs recognized in Other Comprehensive Income	(1.60)	(0.06)

Note :

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

iii. Reconciliation of Net Balance Sheet Position

Particulars	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Opening Net defined benefit asset/ (liability)	(9.46)	(7.72)
Current service cost	(0.99)	(0.94)
Past service cost	(0.19)	(0.55)
Net interest on net defined benefit liability/ (asset)	(0.70)	(0.62)
Amount recognized in OCI	0.39	0.06
Actuarial Gains/ (Losses)	1.20	(0.10)
Employer contributions	-	-
Benefit paid directly by the Company	0.35	0.39
Acquisitions credit/ (cost)	0.26	0.02
Closing Net defined benefit asset/ (liability)	(9.13)	(9.46)

iv. Sensitivity analysis

Particulars	31 st March, 2020 ₹ crores		31 st March, 2019 ₹ crores	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	0.61	(0.55)	0.64	(0.57)
Salary Growth Rate (-/+0.5%)	(0.35)	0.38	(0.41)	0.44
Withdrawal Rate (-/+ 5%)	-	(2.11)	-	(2.23)
Gold Inflation Rate (-/+ 5%)	(0.05)	0.06	(0.06)	0.06
Medical Inflation Rate (-/+ 5%)	(0.12)	0.15	(0.09)	0.11

vi. The expected maturity analysis of defined benefit obligations

Time Period	31 st March, 2020 ₹ crores	31 st March, 2019 ₹ crores
Within 1 year	0.38	0.53
Between 1-2 years	0.50	0.41
Between 2-3 years	0.45	0.58
Between 3-4 years	0.76	0.52
Between 4-5 years	0.60	0.81
Beyond 5 years	4.53	4.90
Particulars	31 st March, 2020	31 st March, 2019
The weighted average duration of the Post Retirement Medical Benefit represents average duration for active members	16.81 years	17.10 years

20. Deferred Tax Assets / Liabilities (Net)

Accounting Policy**Deferred Tax**

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

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

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

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

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

Deferred tax assets 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. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

MAT Credit Entitlement

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

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Deferred Tax Liabilities (Net)	421.99	303.60
Less: MAT Credit entitlement	369.39	289.26
Deferred Tax Liabilities (Net)	52.60	14.34

For Year ended 31st March, 2020

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive income	Closing balance
MAT credit entitlement	289.26	80.13	-	369.39
Deferred Tax Liabilities (Net) in relation to:				
Property, plant and equipment	423.36	(1.37)	-	421.99
Provision for compensated absences	(1.52)	1.52	-	-
Unabsorbed depreciation	(118.23)	118.23	-	-
Total	303.60	118.39	-	421.99
	14.34	38.26		52.60

For Year ended 31st March, 2019

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive income	Closing balance
MAT credit entitlement	170.76	118.50	-	289.26
Deferred Tax Liabilities (Net) in relation to:				
Property, plant and equipment	422.83	0.52	-	423.36
Provision for compensated absences	(1.02)	(0.50)	-	(1.52)
Unabsorbed depreciation	(244.74)	126.51	-	(118.23)
Total	177.07	126.53	-	303.60
	6.31	8.03		14.34

Note:

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. The Company is entitled for availing the tax benefit under section 80IA of the Income-tax Act, 1961, with effect from the financial year 2016-17 for 10 years. Deferred tax liabilities as at 31 March, 2020, reflect the quantum of tax liabilities accrued upto the period end but payable after the expiry of the tax holiday period.
- c. Pursuant to amendment in section 115JAA of Income Tax Act, 1961, MAT credit can be utilised upto the 15th assessment year as against the 10th assessment year earlier. Accordingly, the Company has recognised MAT credit aggregating to ₹ 369.39 crores as at the year-end, to the extent that there will be sufficient future taxable income against which such MAT credit entitlement can be adjusted.
- d. The Company has recognised MAT credit entitlement of ₹ 369.39 crores as at March 31, 2020 (as at March 31, 2019: ₹ 338.47 crores). Basis the existing tax laws and the projections of future profitability considering definitive Power purchase agreements which are completely tied up with the plant capacity, management expects that the Company will be subjected to normal taxation from the financial year 2026-27 onwards. The management is not expecting any major capitalisation / new projects eligible under Section 80IA of the Income Tax Act, 1961 till at least FY 2031-32. Accordingly, the management is confident of earning taxable profits each year and will be able to utilise the entire amount of MAT credit entitlement recognised in the financial Statement

21. Other Liabilities

Non-current

Consumers' Benefit Account	16.97	16.97
	16.97	16.97

Current

Payable to Beneficiaries (Net) (Refer Note 24)	135.20	-
Dividend Distribution tax payable	-	17.90
Statutory Liabilities	6.37	3.67
Other Liabilities	0.19	0.08
	141.76	21.65

22. Current Borrowings

Unsecured - At Amortised Cost

From Banks		
Commercial Paper	-	300.00
	-	300.00

Secured - At Amortised Cost

From Banks		
(a) Cash Credit Account	-	18.09
(b) Short term loan from Bank	15.00	124.68
(c) Letter of Credit	-	18.21
	15.00	160.98
	15.00	460.98

Note:

- i The Company has entered into 'Working Capital Facility Agreement' with State Bank of India, Kotak Mahindra Bank and HDFC Bank for availing fund for managing working capital requirement.

- ii Security offered to State Bank of India secured by way of first pari-passu charge on movable and immovable assets of the Company present and future, with other term loan and working capital lenders.
- iii Kotak Mahindra Bank working capital facilities is secured by way of first hypothecation charge on all the existing and future current assets of the borrower on pari passu with other secured lenders of the borrower.
- iv HDFC Bank working capital facilities is secured by way of pari passu charge on current assets along with other term loan and working capital lenders.

23. MSME Disclosure

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

(a) Principal amount remaining unpaid	0.24	0.37
(b) Interest* due thereon	-	-
(c) The amount of Interest* paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of Interest* due and payable for the year	-	-
(e) The amount of Interest* accrued and remaining unpaid	-	-
(f) The amount of further interest* due and payable even in the succeeding years, until such date when the interest* dues as above are actually paid	-	-
	0.24	0.37

* Amounts unpaid to Micro and Small Enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

24. Revenue from Operations

Accounting Policy

Revenue recognition

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

Description of performance obligations are as follows :

Sale of Power - Generation (Thermal)

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered.

Contract price determined as per tariff regulations

The Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of fuel cost, operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies. Accordingly, rate per unit is determined using input method based on the Company's efforts to the satisfaction of a performance obligation to deliver power. As per tariff regulations, the Company determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

Late Payment Surcharge

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

No Late Payment Surcharge ('LPS') is charged for the initial 45 days from the date of receipt of invoice by customer. Thereafter, LPS is charged at the rate prescribed by the Power Purchase Agreement on the outstanding balance once the dues are received. Revenue in respect of late payment surcharge leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulatory authorities.

Dividend and interest income

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

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

	For Year ended 31 st March, 2020 ₹ crores	For Year ended 31 st March, 2019 ₹ crores
(a) Revenue from Power Supply	3,214.68	2,860.16
Cash Discount	(51.98)	(55.27)
Income to be adjusted in future tariff determination (Net)	(421.88)	(29.28)
	2,740.82	2,775.61
(b) Other Operating Revenue		
Rental of Buildings	0.04	0.04
Income in respect of Services Rendered	-	0.28
Sale of Fly Ash	0.31	0.12
	0.35	0.44
	2,741.17	2,776.05

Note:-

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

25. Other Income

(a) Interest Income

On Financial Assets held at Amortised Cost

Interest on Income-tax Refund	-	0.25
Interest on Inter - Corporate Deposit	0.13	-
Other Interest	0.01	0.01
	0.14	0.26

(b) Gain on Investments

Gain on sale of Current Investment measured at FVTPL	4.34	3.72
	4.34	3.72

(c) Other Non Operating Income

Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	0.04	(0.03)
Miscellaneous Income	3.02	2.46
Late Payment Surcharge	20.79	58.64
	23.85	61.07
	28.33	65.05

Note:

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

26. Employee Benefits Expenses

	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Salaries and Wages	38.35	37.81
Contribution to Provident Fund	1.48	1.39
Contribution to Superannuation Fund	0.49	0.59
Retiring Gratuities	1.04	1.01
Leave Encashment Scheme	1.16	1.04
Pension Scheme	0.38	0.37
Staff Welfare Expenses	5.07	4.37
	47.97	46.58
Less:		
Employee Cost Capitalised	7.17	5.40
	7.17	5.40
	40.80	41.18
27. Depreciation and Amortisation expenses:		
Depreciation on Tangible Assets (Refer Note 5A)	239.48	238.16
Depreciation on Right of use Assets (Refer Note 5B)	4.22	-
Amortisation on Intangible Assets (Refer Note 6)	0.12	0.08
	243.81	238.24

28. Finance Costs**Accounting Policy**

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

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

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

	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
(a) Interest Expense:		
Borrowings		
Interest on Debentures	87.25	87.63
Interest on Loans from banks	93.74	101.15
Interest on borrowings from related party (Refer Note 34)	2.48	0.02
Interest on Commercial Paper	14.99	13.15
Others		
Other Interest and Commitment Charges	0.16	0.61
	198.62	202.56
Less: Interest Capitalised	9.06	-
	189.56	202.56
(b) Other Borrowing Cost:		
Other Finance Costs	3.55	2.29
	3.55	2.29
	193.11	204.85

29. Other Expenses

	For Year ended 31 st March, 2020 ₹ crores	For Year ended 31 st March, 2019 ₹ crores
Consumption of Stores, Oil, etc.	13.02	9.01
Rental of Land, Buildings etc.	0.22	4.36
Repairs and Maintenance -		
(i) To Buildings and Civil Works	5.59	4.69
(ii) To Machinery and Hydraulic Works	91.60	73.10
(iii) To Furniture, Vehicles, etc.	1.00	2.54
	98.19	80.33
Water Charges & Othes Taxes	16.23	9.92
Insurance	8.96	5.15
Other Operation Expenses	8.30	8.47
Ash Disposal Expenses	28.83	33.40
Transmission Charges	-	0.11
Travelling and Conveyance Expenses	2.29	3.15
Consultants' Fees	0.42	2.22
Auditor's Remuneration (Refer - i)	0.45	0.41
Cost of Services Procured	65.62	57.47
Security Expenses	7.24	6.96
Legal Charges	1.14	0.01
Corporate Social Responsibility Expenses (Refer - ii)	6.03	5.32
Miscellaneous Expenses	0.89	0.57
	257.83	226.86
(i) Payment to the Auditors		
Audit Fee & Limited Review	0.28	0.20
Tax Audit Fees	0.02	0.02
Other Services (Certification Fees)	0.08	0.15
Reimbursement of Expenses	0.06	0.04
	0.45	0.41
(ii) Corporate Social Responsibility Expenses		
(a) Amount required to be spent as per Sec 135 of the Companies Act 2013 :	6.03	5.27
(b) Amount spent by the Company		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than above	6.03	5.32

30. Income taxes

Accounting Policy

Current Tax

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

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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 tax recognised in profit and loss****Current tax**

	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
For the year	80.13	77.78
In respect of earlier years	0.45	0.02
	80.58	77.80
Deferred tax	118.39	126.53
MAT Credit	(80.13)	(118.50)
Income tax expense reported in the Statement of Profit and Loss	118.84	85.83

(ii) **Reconciliation of tax expense as per the effective rate of tax and India's statutory rate of tax**

	For Year ended 31 st March, 2020 ₹crores	For Year ended 31 st March, 2019 ₹crores
Profit before tax	456.66	358.72
Applicable income tax rate	34.94%	34.94%
Income tax expense calculated at applicable rate	159.58	125.34
Temporary difference reversed during tax holiday period.	7.91	(3.75)
On other permanent difference	(57.15)	1.98
Impact of change in Rate	-	-
Adjustment in respect of current income tax of previous years	0.45	0.02
Differential tax impact between MAT and Normal Tax.....	-	(40.72)
Other Adjustments	8.05	2.96
Total income tax expense	118.84	85.83

1. The tax rate used for the financial years 2019-20 and 2018-19 reconciliations above is the corporate tax rate of 34.94% and 34.94% respectively payable by the corporate entities in India on taxable profits under the Indian tax law.
2. The Company has to pay taxes based on higher of income tax on profit of the Company or MAT @17.472% and @21.55% of book profit for the years 2019-20 and 2018-19 respectively.
3. The rate used for calculation of deferred tax is @34.94% for FY 2019-20 & for FY 2018-19 being statutory enacted rates at respective Balance Sheet Dates.

(iii) **Income tax recognised in other comprehensive income**

Arising on income and expenses reclassified in other comprehensive income:

Remeasurement of the defined benefit plan	0.00*	0.17
Total income tax expense recognised in other comprehensive income	0.00	0.17
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	0.00*	0.17
- Items that may be reclassified to profit or loss	0.00*	-
	0.00	0.17

* Amount is lesser than the rounding off norms followed by the Company.

31. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	621.58	87.80
	621.58	87.80

32. Contingent liabilities

- (a) The Company has received a demand of ₹ 45.00 crores from the Office of Assistant Commissioner, Dhanbad under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 contending that the Company has to pay 1% of the Project Cost (estimated to be ₹ 4500.00 crores) as cess.
- As per legal advice obtained by the Company, the Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 is applicable on cost of construction and not on supply of equipment, accordingly the Company had deposited an amount of ₹ 1.26 crores as cess for cost of construction and raised the demand on the concerned contractor / vendor. Further, the Company is of the view that any such demand if payable will be borne by the contractor/vendors. Accordingly, no provision has been made in the books of account.
- (b) Claims against the Company not acknowledged as debts for demands raised by the office of the Zonal Jt. Director General Trade for revocation of grant of deemed export benefits which has been disputed by the Company ₹ 36.41 crores (31 March, 2019: ₹ 36.41 crores).
- (c) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1st March 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The company will evaluate its position and act, in case there is any other interpretation of the same issued in future either in form of Social Security Code or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions

33. Earnings per share (EPS)

Accounting Policy

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

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

	For Year ended 31st March, 2020 ₹crores	For Year ended 31st March, 2019 ₹crores
Basic and diluted earnings per share (face value of ₹ 10/- each).....	2.24	1.81
Basic and diluted earnings per share	2.24	1.81

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

Profit After Tax	337.82	272.89
The weighted average number of equity shares for Basic and Diluted EPS	1,50,89,17,729	1,50,89,17,729

Note:

There have been no other transactions involving Equity Shares or Potential Equity Shares between the Reporting date and the date of authorisation of these financial statements

34. Related Party Transactions**a. List of related parties****i. Controlling Entity (CE)**

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

ii. Entity exercising significant influence (SI)

Damodar Valley Corporation (DVC)

iii. Fellow Subsidiaries

(With whom the Company has entered transaction during the year)

Tata Power Trading Company Limited (TPTCL)

Coastal Gujarat Power Limited (CGPL)

Tata Power Solar System Ltd (TPSSL)

Tata Power Renewable Energy Limited (TPREL)

Walwhan Renewable Energy Private Limited (WREPL)

iv. Directors & Key Managerial Personnel

Ramesh Subramanyam (Chairman) (w.e.f. 2nd Aug 2019)

Ashok Sethi (Chairman) (till 30th April 2019)

Neera Saggi (Director) (till 22nd March 2020)

Narendra Nath Mishra (Director) (till 22nd March 2020)

Purushottam Thakur (Director) (till 31st Jan 2020)

Krishnava Dutt (Director)

Anand Agarwal (Director)

Suvamay Halder (Director)

Bhola Nath Sah (Director) (w.e.f 2nd Aug 2019 to 31st December 2019)

Pulak Datta (Director) (till 30th April 2019)

Ashok Sinha (Director) (w.e.f 21st March 2020)

Rita Sinha (Director) (w.e.f 21st March 2020)

Vijay Namjoshi (Director) (w.e.f 1st February 2020)

Ramesh Jha (Chief Executive Officer)

Satish Kumar (Chief Financial Officer)

Poonam Shirke (Company Secretary)

b. Transactions/balances outstanding with related parties**i) Transactions for the year ended 31st March, 2020**

₹ Crores

Particulars	CE	SI	Fellow subsidiaries (FS)					Subtotal (FS)	KMP & Directors	Total
	TPCL	DVC	TPTCL	CGPL	TPREL	WREPL	TPSSL			
Revenue from power supply	-	530.66	1,801.15	-	-	-	-	1,801.15	-	2,331.81
	-	(409.41)	(1,595.82)	-	-	-	-	(1,595.82)	-	(2,005.23)
Cash discount on power sales	-	-	32.51	-	-	-	-	32.51	-	32.51
	-	(0.64)	(35.76)	-	-	-	-	(35.76)	-	(36.40)

Particulars	CE	SI	Fellow subsidiaries (FS)					Subtotal (FS)	KMP & Directors	Total
	TPCL	DVC	TPTCL	CGPL	TPREL	WREPL	TPSSL			
Interest income on ICD	-	-	-	-	0.13	-	-	0.13	-	0.13
	-	-	-	-	-	-	-	-	-	-
Late payment surcharge	-	20.79	-	-	-	-	-	-	-	20.79
	-	(58.64)	-	-	-	-	-	-	-	(58.64)
Electricity Charges	-	0.52	-	-	-	-	-	-	-	0.52
	-	(0.36)	-	-	-	-	-	-	-	(0.36)
Water charges	-	16.01	-	-	-	-	-	-	-	16.01
	-	(9.31)	-	-	-	-	-	-	-	(9.31)
Rent and hire charges	-	0.19	-	-	-	-	-	-	-	0.19
	-	(0.13)	-	-	-	-	-	-	-	(0.13)
Cost of Services Procured	59.69	-	-	-	-	-	-	-	-	59.69
	(57.71)	-	-	-	-	-	-	-	-	(57.71)
ICD Taken	200.00	-	-	310.00	-	-	-	310.00	-	510.00
	(47.04)	-	-	-	-	-	-	-	-	(47.04)
ICD Given	-	-	-	-	150.00	-	-	150.00	-	150.00
	(47.04)	-	-	-	-	-	-	-	-	(47.04)
Sale of property, plant and equipment	0.15	-	-	-	-	-	-	-	-	0.15
	-	-	-	-	-	-	(0.00)*	(0.00)*	-	-
Interest on loan	2.27	-	-	0.21	-	-	-	0.21	-	2.48
	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Purchase of property, plant and equipment	0.17	-	-	0.00*	-	-	-	-	-	0.17
	-	-	-	(0.00)*	-	-	-	-	-	-
Reimbursement of expenses to the Company	-	0.21	0.65	-	-	-	-	0.65	-	0.86
	-	(0.12)	(1.24)	-	-	-	-	(1.24)	-	(1.36)
Reimbursement of expenses by the Company	2.35	-	-	-	-	-	-	-	-	2.35
	-	-	-	-	-	-	-	-	-	-
Service received related to CWIP	2.77	-	-	-	-	-	-	-	-	2.77
	(0.49)	-	-	-	-	-	-	-	-	(0.49)
Remuneration (includes sitting fees)	-	-	-	-	-	-	-	-	1.84	1.84
	-	-	-	-	-	-	-	-	(1.88)	(1.88)
Dividend Paid	214.84	75.48	-	-	-	-	-	-	-	290.32
	(107.42)	(37.74)	-	-	-	-	-	-	-	(145.16)
Interest on Loan to KMP*	-	-	-	-	-	-	-	-	0.00	0.00
	-	-	-	-	-	-	-	-	(0.00)	(0.00)

Particulars	CE	SI	Fellow subsidiaries (FS)					Subtotal (FS)	KMP & Directors	Total
	TPCL	DVC	TPTCL	CGPL	TPREL	WREPL	TPSSL			
Loan repaid by KMP*	-	-	-	-	-	-	-	-	0.00	0.00
	-	-	-	-	-	-	-	-	(0.00)	(0.00)

Figures in brackets stated pertain to the year ended 31st March, 2019

* Amount is lesser than the rounding off norms followed by the Company.

ii) Balances outstanding as at 31st March, 2020

Particulars	CE	SI	Fellow subsidiaries (FS)					Subtotal (FS)	KMP & Directors	Total
	TPCL	DVC	TPTCL	CGPL	TPREL	WREPL	TPSSL			
Trade receivables										
As at 31 st March, 2020	-	72.89	134.21	-	-	-	-	134.21	-	207.10
As at 31 st March, 2019	-	(136.28)	(128.35)	(0.35)	-	-	-	(128.69)	-	(264.97)
Unbilled revenue										
As at 31 st March, 2020	-	29.63	-2.24	-	-	-	-	-2.24	-	27.39
As at 31 st March, 2019	-	(95.13)	(0.91)	-	-	-	-	(0.91)	-	(96.04)
Dividend Payable										
As at 31 st March, 2020	-	-	-	-	-	-	-	-	-	-
As at 31 st March, 2019	(64.45)	(22.65)	-	-	-	-	-	-	-	(87.10)
Security deposits										
As at 31 st March, 2020	-	0.28	-	-	-	-	-	-	-	0.28
As at 31 st March, 2019	-	(0.20)	-	-	-	-	-	-	-	(0.20)
Other current assets-others										
As at 31 st March, 2020	-	-	-	-	-	-	-	-	-	-
As at 31 st March, 2019	-	(0.08)	-	-	-	-	-	-	-	(0.08)
Trade payables										
As at 31 st March, 2020	8.87	1.30	-	-	-	-	-	-	-	10.18
As at 31 st March, 2019	(7.09)	-	-	(0.00)	-	(0.02)	-	(0.03)	-	(7.11)
Letter of credit										
As at 31 st March, 2020	-	34.45	136.49	-	-	-	-	136.49	-	170.94
As at 31 st March, 2019	-	(32.60)	(62.07)	-	-	-	-	(62.07)	-	(94.67)
KMP (Loan Outstanding)										
As at 31 st March, 2020	-	-	-	-	-	-	-	-	0.01	0.01
As at 31 st March, 2019	-	-	-	-	-	-	-	-	(0.02)	(0.02)

Notes:

Figures in brackets stated pertain to the year ended 31st March, 2019

All outstanding balances are unsecured.

All transactions with the related parties have been done at arms length.

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation, the same is included above on payment basis.

35. Financial Instruments

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

35.1 Financial assets and liabilities

The carrying value and fair value of financial instruments by categories as of 31st March, 2020 is as follows:

₹ Crores

Particulars	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total Carrying value	Total Fair Value
Assets					
Cash and Cash Equivalents	-	-	84.65	84.65	84.65
Trade Receivables	-	-	217.71	217.71	217.71
Investments	166.33	-	-	166.33	166.33
Unbilled Revenues	-	-	31.77	31.77	31.77
Loans	-	-	0.21	0.21	0.21
Other financial Assets	-	-	0.41	0.41	0.41
Total	166.33	-	334.75	501.08	501.08
Liabilities:					
Trade Payables	-	-	169.20	169.20	169.20
Fixed Rate Borrowings (Includes Current Maturities)	-	-	498.74	498.74	498.74
Floating Rate Borrowings (Includes Current Maturities)	-	-	1,575.10	1,575.10	1,575.10
Other Financial Liabilities	-	-	68.34	68.34	68.34
Total	-	-	2,311.38	2,311.38	2,311.38

The carrying value and fair value of financial instruments by categories as of 31st March, 2019 is as follows:

Assets					
Cash and Cash Equivalents	-	-	0.10	0.10	0.10
Other balances with banks	-	-	-	-	-
Trade Receivables	-	-	362.99	362.99	362.99
Investments	-	-	-	-	-
Unbilled Revenues	-	-	98.79	98.79	98.79
Loans	-	-	0.27	0.27	0.27
Other Financial Assets	-	-	0.34	0.34	0.34
Total	-	-	462.49	462.49	462.49
Liabilities:					
Trade Payables	-	-	161.80	161.80	161.80
Fixed Rate Borrowings (Includes Current Maturities)	-	-	498.53	498.53	498.53
Floating Rate Borrowings (Includes Current Maturities)	-	-	1,909.61	1,909.61	1,909.61
Other Financial Liabilities	-	-	133.63	133.63	133.63
Total	-	-	2,703.57	2,703.57	2,703.57

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, 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.

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:

Quoted prices in an active market (Level 1): Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (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).

Valuation techniques with significant unobservable inputs (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.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. :

Fair value hierarchy as at 31 st March 2020				
Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Asset measured at fair value				
FVTPL financial investments (Quoted Mutual funds)	31 st March, 2020	166.33	-	166.33
		166.33	-	166.33
Liabilities for which fair values are disclosed				
Fixed rate borrowings	31 st March, 2020	-	498.74	498.74
Floating rate borrowings	31 st March, 2020	-	1575.10	1575.10
Total		-	2,073.84	2,073.84

Fair value hierarchy as at 31 st March, 2019				
Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Asset measured at fair value				
FVTPL financial investments	31 st March, 2019	-	-	-
		-	-	-
Liabilities for which fair values are disclosed				
Fixed rate borrowings	31 st March, 2019	-	498.53	498.53
Floating rate borrowings	31 st March, 2019	-	1909.61	1,909.61
Total		-	2,408.14	2,408.14

There has been no transfer between level 1 and level 2 during the year

35.2 Capital Management & Gearing Ratio

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 50%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances, excluding discontinued operations as detailed in the notes below.

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 year was as follows:

	As at 31 st March, 2020 ₹ Crores	As at 31 st March, 2019 ₹ Crores
Debt (i)	2,073.84	2,408.14
Less: Cash and Bank balances	84.65	0.10
Net debt	1,989.19	2,408.04
Total Capital (ii)	2,068.43	2,080.61
Capital and net debt	4,057.62	4,488.65
Gearing ratio (%)	49.02	53.65

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current 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 significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

35. Financial Instruments

35.3 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 and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, 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 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. The risk management policies is approved by the board of directors, which is summarized below.

35.3.1 Market risk management

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 three types of risk: currency risk, interest rate risk and equity price risk. The impact of equity price risk and currency risk is not material. Financial instruments affected by market risk are loans and borrowings.

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

a) Foreign currency risk management

- (i) The year end foreign currency exposures of the Company is Nil (31 March, 2019: Nil)
- (ii) The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

b) 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.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	31 st March, 2020		31 st March, 2019	
	Balance	Percentage	Balance	Percentage
Fixed Rate Borrowings (Includes Current Maturities).....	498.74	24%	498.53	21%
Floating Rate Borrowings (Includes Current Maturities)	1,575.10	76%	1,909.61	79%
Total	2,073.84		2,408.14	

Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures 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 and debentures 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:

Particulars	31 st March, 2020		As of 31 st March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(+) ₹ 7.82	(-) ₹ 7.82	(+) ₹ 7.27	(-) ₹ 7.27
Effect on profit before tax	(-) ₹ 7.82	(+) ₹ 7.82	(-) ₹ 7.27	(+) ₹ 7.27

35.3.2 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 (i.e. primarily trade receivables and unbilled revenue) and from its financing activities including loans, foreign exchange transactions and other financial instruments.

Collateral held as security

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

₹ Crores

	31 st March,2020	31 st March,2019
Trade Receivables	217.71	362.99
Loans	0.21	0.27
Other Financial Assets	0.41	0.34
Unbilled Revenue	31.77	98.79
Total	250.10	462.39

Refer Note 13 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.

35.3.3 Liquidity risk management

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

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding. Having regards to the nature of the business wherein the Company is able to generate fixed cash flows over a period of time and to optimize the cost of funding, the Company, from time to time, funds its long -term investment from short-term sources. The short-term borrowings can be rollforward or, if required, can be refinanced from long term borrowings.

	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March,2020					
Non-Derivatives					
Borrowings#	1,009.39	1,301.89	295.52	2,606.80	2,101.89
Trade Payables	169.20	-	-	169.20	169.20
Other Financial Liabilities	28.41	11.88	-	40.29	40.29
Total Non-Derivative Liabilities	1,207.00	1,313.77	295.52	2,816.29	2,311.38
31st March,2019					
Borrowings#	352.79	1,912.60	221.76	2,487.15	1,947.16
Trade Payables	161.80	-	-	161.80	161.80
Other Financial Liabilities	311.96	9.29	-	321.25	321.25
Total Non-Derivative Liabilities	826.55	1,921.89	221.76	2,970.20	2,430.21

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

35.4 Commodity price risk

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

36. India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide corona virus pandemic. Considering that the entity is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic. However, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.
37. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

38. Segment Reporting

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

39. Mega power status

The Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipt of the mega power certificate, the Company remains liable to pay excise and customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid excise duty to its vendors aggregating to ₹ 120.24 crores (31 March, 2019 : ₹ 120.24 crores) upto 31 March, 2020. Out of total payment of excise duty to suppliers ₹ 119.11 crores (net of receipts) had been capitalised and the balance amount of ₹ 1.13 crores is included in capital work-in-progress as at 31 March, 2020.

40. Significant Events after the Reporting Period

There were no significant adjusting event that occurred subsequent to the reporting period.

41. Previous year's figures are regrouped / rearranged, where necessary, to confirm to the current year's presentation.

As per our report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration number: **301003E/E300005**

per Kamal Agarwal

Partner

Membership No: 058652

Place: Kolkata

Date: 27th April, 2020

For and on behalf of the Board,

Ramesh Subramanyam

Chairman

Place: Mumbai

Date: 27th Apr, 2020

Ramesh Jha

Chief Executive Officer

Place: Dhanbad

Date: 27th April, 2020

Suvamay Halder

Director

Place: Kolkata

Date: 27th April, 2020

Satish Kumar

Chief Financial Officer

Place: Dhanbad

Date: 27th April, 2020

Poonam Shirke

Company Secretary

Place: Mumbai

Date: 27th April, 2020





MAITHON POWER LIMITED

(a Joint venture of Tata Power & DVC)

Registered Office

Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai - 400 009, Maharashtra, India.