TALWANDI SABO POWER LIMITED

Partnering Punjab towards Power Self Sufficiency

2018 - 19

ANNUAL REPORT

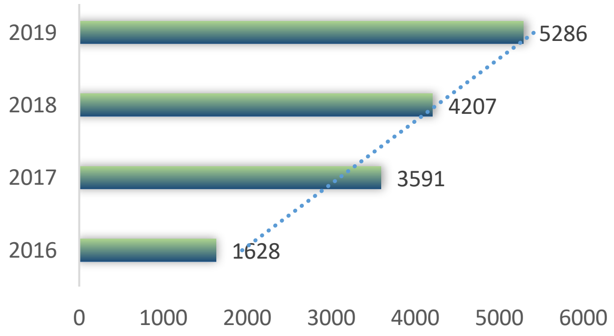
WHAT'S INSIDE

HIGHLIGHTS 2018-19

KEY PERFORMANCE INDICATORS – *Best ever annual performance*

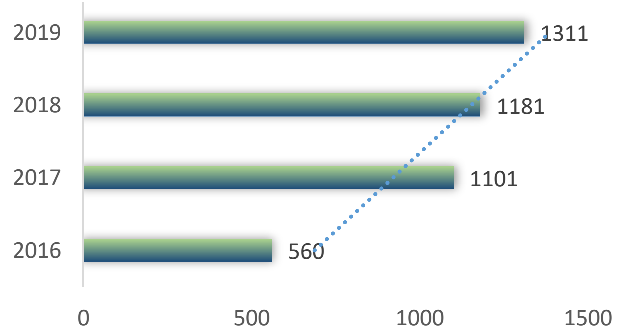
REVENUE (₹ in crore) **26% y-o-y***

₹ 5,286 Cr



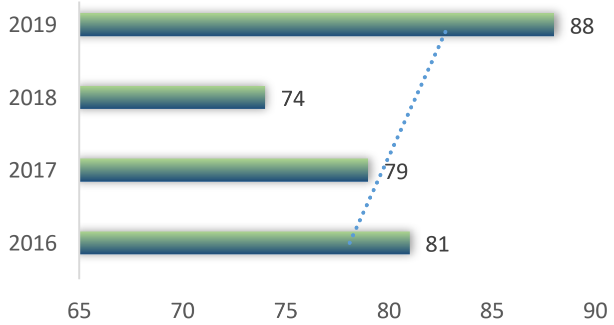
EBITDA (₹ in crore) **11% y-o-y***

₹ 1,311 Cr



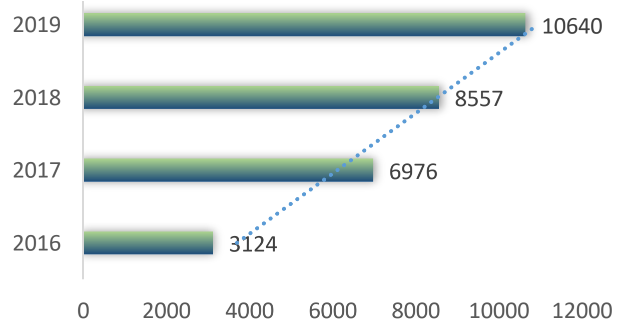
PLANT TECHNICAL AVAILABILITY (%) **19% y-o-y***

88%



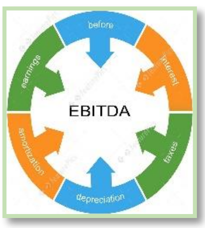
GROSS GENERATION (MU) **24% y-o-y***

10,640 MUs

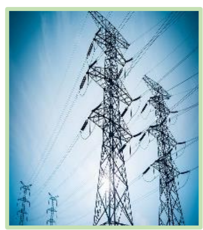


Increase in Revenue by 26% in FY 2019 (₹ 5,286 Cr) as against in FY 2018 (₹ 4,207 Cr)

Increase in Plant technical availability by 19% in FY 2019 (88%) as against in FY 2018 (74%)



Increase in EBITDA by 11% in FY 2019 (₹ 1,311 Cr) as against in FY 2018 (₹ 1,181 Cr)



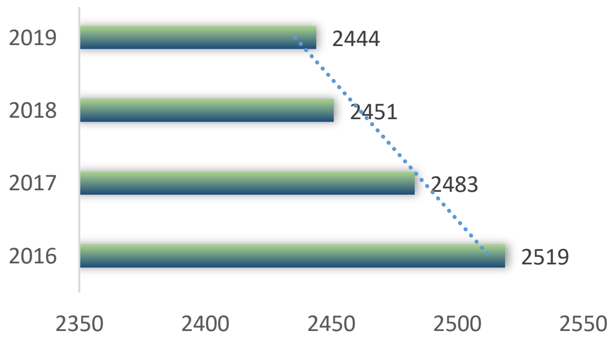
Increase in Gross Generation by 24% in FY 2019 (10,640 MUs) as against in FY 2018 (8,557 MUs)

**y-o-y refers to year on year growth in FY 2019 vis-à-vis FY 2018*

KEY PERFORMANCE INDICATORS – *contd.*

NSHR (Kcal/Kwh) ▼ 0.28% y-o-y*

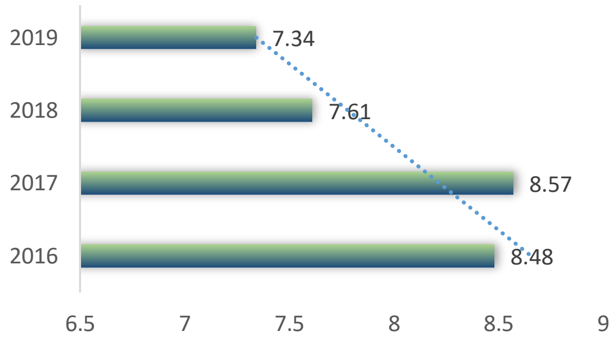
2444 Kcal/Kwh



NSHR – Net Station Heat Rate

APC (%) ▼ 3.54% y-o-y*

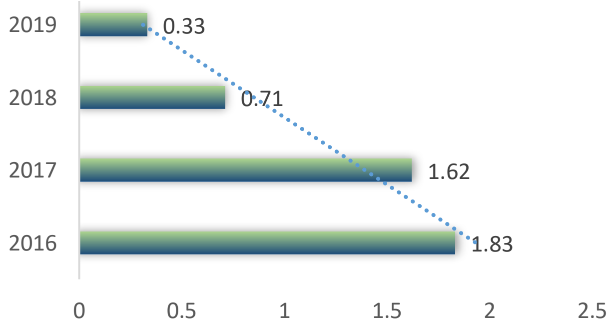
7.34%



APC – Auxiliary Power Consumption

SOC (ml/Kwh) ▼ 53% y-o-y*

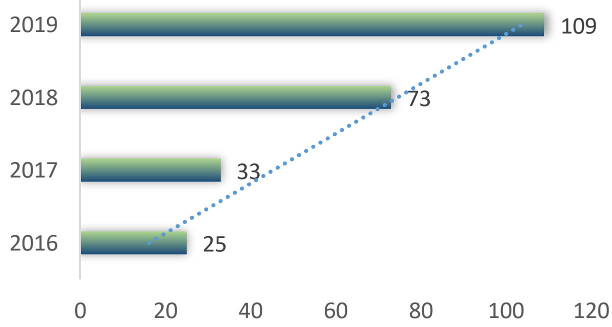
0.33 ml/Kwh

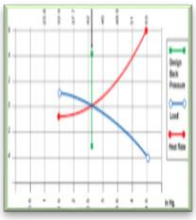


SOC – Specific Oil Consumption

FLY ASH UTILIZATION (%) ▲ 49% y-o-y*

109%

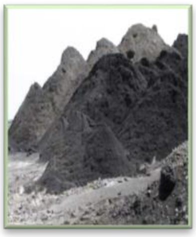




Decrease in NSHR by 0.28% in FY 2019 (2,444 Kcal/Kwh) as against in FY 2018 (2,451 Kcal/Kwh)

Decrease in SOC by 53% in FY 2019 (0.33 ml/Kwh) as against in FY 2018 (0.71 ml/Kwh)

Decrease in APC by 3.54% in FY 2019 (7.34%) as against in FY 2018 (7.61%)



Increase in Fly ash utilization by 49% in FY 2019 (109%) as against in FY 2018 (73%)

**y-o-y refers to year on year improvement in FY 2019 vis-à-vis FY 2018*

Business Partner Meet 2019

The first ever Business Partner Meet 2019 organised by TSPL focusing on building trust and long-term relationship with business partners including suppliers, service providers and customers thereby witnessing presence of more than 150 delegates, deliberating on the future readiness of TSPL and business partners, HSE journey towards zero harm, experience of business partners from onboarding till invoicing, VSAP framework and guidelines and Vedanta Code of Conduct. The event also witnessed safety pledge taken by all business partners and the rewards bestowed to business partners for their exceptional performance enriching the company's growth.

Workplace Celebrations

"No matter how busy the work gets, it's always important to take time to celebrate festivals" – Celebrations @ Workplace

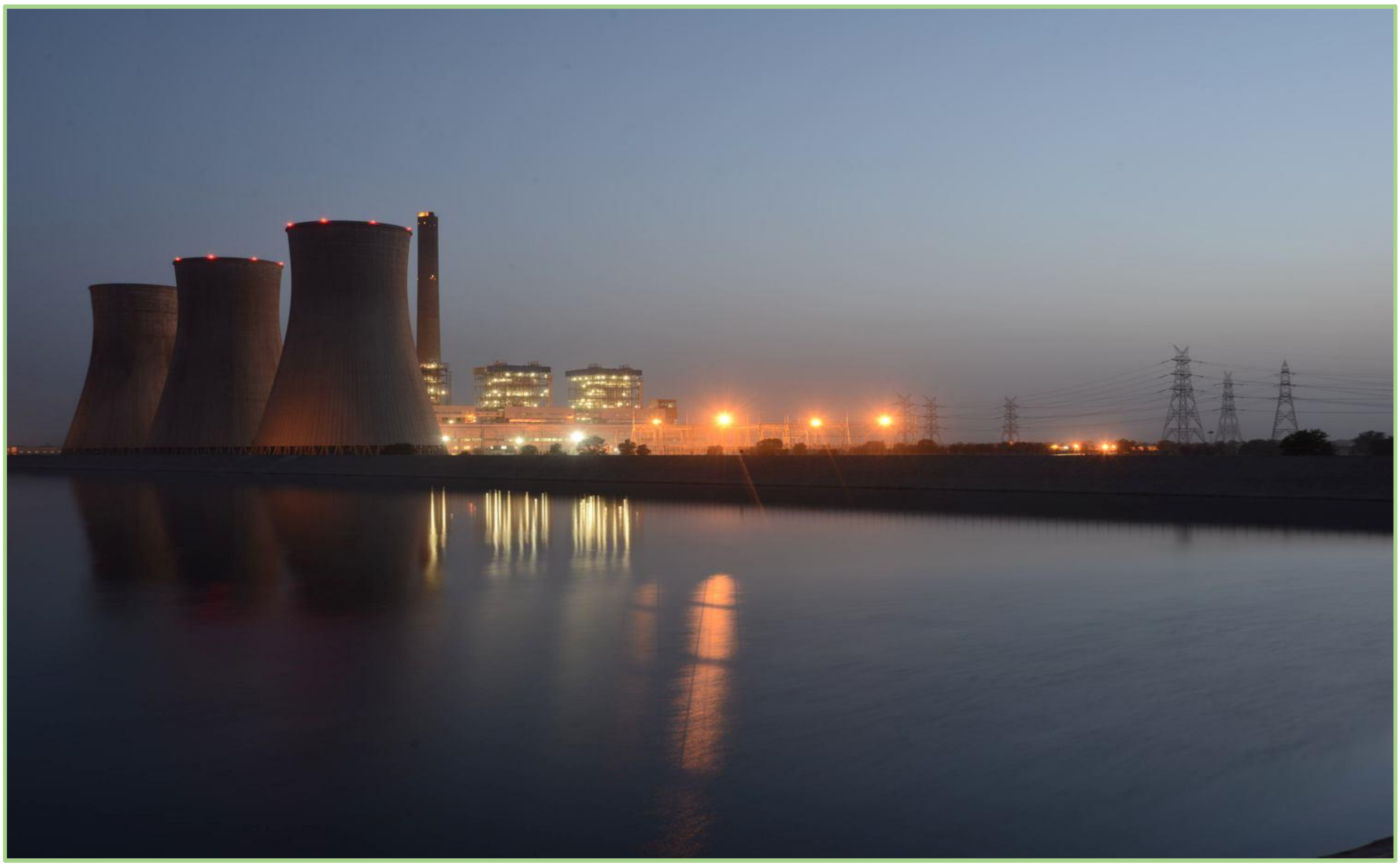
Employees Volunteering

Driving Employee Engagement through a culture of Volunteering and Sharing in community initiatives

Engagement Initiatives

Spreading awareness among TSPL employees, partners and contractors through sessions on health and safety

COMPANY OVERVIEW



Talwandi Sabo Power Limited (TSPL) was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board (PSEB)] with the purpose of constructing a 1980 (3*660) MW thermal power plant on build, own and operate (BOO) basis at Village Banawala, Mansa-Talwandi Sabo Road, District Mansa, Punjab. TSPL became a wholly owned subsidiary of Vedanta Limited (Vedanta) [formerly known as Sesa Sterlite Limited] pursuant to the selection of Vedanta as the successful bidder after going through a tariff based International Competitive Bidding (ICB) process for supply of 100% power to PSPCL for 25 years as per the Power Purchase Agreement.

Talwandi Sabo Power Limited (TSPL) an ISO 45001:2018, ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 and ISO 39001:2012 certified company, is a wholly owned subsidiary of Vedanta Limited and has implemented the largest 1980 (3*660) MW Greenfield Power Project in Punjab, India, with all consents and approvals in place.

VISION

To be the most efficient, sustainable and admired power producer in the country, making our stakeholders proud and powering the growth of Punjab.

MISSION

To power India's growth by sustainable technologies that efficiently utilize energy resources embracing Vedanta's core values.

CORE VALUES

We actively foster a culture of mutual trust in our interactions with our stakeholders and encourage an open dialogue which ensures mutual respect

As we continue to grow, we are committed to the triple bottom line of People, Planet and Prosperity to create a sustainable future in a Zero Harm environment for our communities

We place utmost importance on engaging ethically and transparently with all our stakeholders, taking accountability of our actions to maintain the highest standards of professionalism and complying with international policies and procedures

We lay consistent emphasis on human rights, respect the principle of free, prior, informed consent, while our engagements with stakeholders give local communities the opportunity to voice their opinions and concerns

Our primary focus is on delivering value of the highest standard to our stakeholders. we are constantly motivated on improving our costs and our quality of production in each of our business through a culture of best practice benchmarking

We embrace a conducive environment for encouraging innovation that leads to a Zero Harm environment and exemplifying optimal utilisation of natural resources, improved efficiencies and recoveries of by-products

Our people are our most important assets. We actively encourage their development and support them in pursuing their goals

BOARD OF DIRECTORS






Clockwise from top left:

Mr. Agnivesh Agarwal
Non-Executive Chairman*

Mr. Sushil Kumar Roongta
Non-Executive Director

Mr. Gurminder Singh Kang
Independent Director

Mr. Ajay Kapur
Whole-time Director*

Ms. Mala Todarwal
Independent Director

Ms. Pooja Somani
Non-Executive Director

For detailed info, may refer www.tsplindia.co

**effective from 27th April, 2019*

COMPANY INFORMATION

REGISTERED OFFICE

Talwandi Sabo Power Limited
Village Banawala, Talwandi Sabo Road
Mansa, Punjab – 151302, India
CIN: L40101PB2007PLC031035
Tel: +91-165-924-8000
Fax: +91-165-8083
Email: tspl.secretarial@vedanta.co.in
Website: www.tsplindia.co

AUDITORS

M/s S. R. Batliboi & Co. LLP
Statutory Auditors

M/s PwC India Pvt Limited
Internal Auditors

M/s Chandrasekaran Associates
Secretarial Auditors

M/s R J Goel & Company
Cost Auditors

KEY MANAGERIAL PERSONNEL

Mr. Chhavi Nath Singh
Chief Operating Officer & Manager

Mr. Rohit Agarwal
Chief Financial Officer

Ms. Mansi Bhutani
Company Secretary

BANKERS AND FINANCIAL INSTITUTIONS

State Bank of India
ICICI Bank Limited
Kotak Mahindra Bank
Aditya Birla Finance Limited
Yes Bank
Syndicate Bank

LEGAL REPRESENTATIVES

Law Chambers of Sujith Ghosh
Dutt Menon & Dunmorrsett Advocates
J Sagar Associates
Trilegal
S. K. Attorneys

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
Formerly known as IL&FS Trust Company Limited

CHAIRMAN'S STATEMENT

Dear Members,

It is with great pride and pleasure that I write to you at the end of a very efficacious year. Your continued support and participation in our business has been one of the fundamental drivers of company's performance and growth and its contribution to the country.

The financial year 2019 was a milestone year marked by record operational and financial performance driven by persistent efficiency and productivity viz. highest ever plant technical availability of 88%, gross generation of 10640 MUs, revenue of ₹ 5,286 Crore and EBITDA of ₹ 1311 Crore. Key highlights of the year is as follows:

Key highlights (FY 2019 vs FY 2018)

- Increase in Plant Technical Availability by 19% y-o-y (88% vs 74%)
- Increase in gross generation by 24% y-o-y (10640 MUs vs 8557 MUs)
- Increase in EBITDA by 11% y-o-y (₹ 1311 Cr vs ₹ 1181 Cr)
- Reduction in SOC by 53% y-o-y (0.33 ml/Kwh vs 0.71 ml/Kwh)
- Reduction in Auxiliary Power Consumption by 3.54% y-o-y (7.34% vs 7.61%)
- Increase in Ash Utilization by 49% y-o-y (109% vs 73%)

The exceptional all round performance of the company was well appreciated on various forums. Your company bagged Dunn & Bradstreet Infra Award in the Power – Thermal & Hydro Sector, CII Award for excellence in water management and various others including appreciation from Punjab Pollution Control Board (PPCB) for exemplary contribution towards environmental activities.

Safety, being the top priority

Your company is continuously making efforts to strengthen the Health, Safety and Environmental (HSE) practices and to ensure that operations are safe and free from risks or hazards. No fatality in last 3-4 years is testimony to the company's efforts in this area. I am delighted to report that your company has, again, been awarded with Greentech Safety Gold Award in Power Thermal Sector for outstanding achievements in safety management during the year 2019.

Commitment to the Society

Beyond business, CSR initiatives of your company through its focus in the areas of Health, Livelihood, Rural Development etc. has made a positive impact among the community and contributed approx. ₹ 7.7 million towards projects in the areas of healthcare, agriculture, rural development etc.

Your company also won five awards and accolades in CSR - Apex India CSR Excellence Gold Award 2018, 6th Annual Greentech CSR Awards 2018, Bharat Ratna Dr. A. P. J Abdul Kalam Samman Puraskar, Appreciation Certificate from District Commissioner & Commendation from Civil Surgeon for its various initiatives under CSR activities.

Embarking on Digital Transformation Journey

During the year, your company witnessed successful migration of SAP Business Suite to the HANA technology aiming at modernising finance, simplification of the business processes, real time business insights and high performance analytics thereby creating efficient, automated and paperless workflow. In addition, your company implemented an upgraded automated compliance management tool "E-nforce Plus", thus, cultivating and strengthening the compliance discipline and culture within the organization.

On the internal controls & governance practices, the company has further advanced forward from Tier II to Tier I rated company within the Vedanta Group as per the Internal audit scores/ ratings for all processes.

Aboarding Directors

The Board of Directors join me in welcoming Mr. Agnivesh Agarwal, Chairman & Managing Director of Fujairah Gold FZC and Ex-Chairman of Hindustan Zinc Limited as Director and Chairperson of the Company w.e.f 27th April, 2019. Mr. Agarwal brings with him more than a decade of rich experience in the corporate sector with strong knowledge of business operations and in-depth experience in managing projects.

We also welcome Mr. Ajay Kapur on TSPL Board as Whole-time Director of the company w.e.f 27th April, 2019, replacing Mr. Ajay Kumar Dixit, who, after serving 3 years on Board, desired to step down as WTD owing to other assignments within the group. Mr. Kapur is an Economics Graduate and an MBA, having rich & diverse experience of 31 years in cement industry and other business operations. We place on record our deep appreciation to Mr. Ajay Kumar Dixit for his unstinting efforts in taking the company to its benchmarked level of operations and the contributions made in the areas of digitalization, operational excellence, regulatory & legal matters and the overall growth of the company during his association with the company.

Board would also like to record its deep appreciation to Mr. Mansoor Siddiqi as Director of the Company, who, after spending 8 years with the company, desired to step down as Director from the Board due to other commitments within the group. During his term, he has contributed significantly in various strategic decisions and stabilization of the operations of the company.

We wish all of them a successful future ahead.

Year ahead

Your company is gearing up for a stronger year ahead with enriched focus on improvement in plant parameters and resulting financial performance. The targets set for FY 2020 are way above the numbers already achieved in FY 2019 and I am confident of getting the same achieved based on the sound and solid foundation we have laid in last year.

And, as we continue our journey to create long – term value for our stakeholders, I, on behalf of Board, would like to thank all the shareholders, governments, authorities, customers, suppliers and lenders for their continuous support to the company. I would also like to thank our employees and the management teams for their determined efforts and commitment to the company and taking it to greater heights.

I further look forward to your continued and indispensable support in the coming years.

With best regards

Sushil Kumar Roongta
Chairman
April 26, 2019

COO'S MESSAGE

Dear members,

It is a privilege to write to you again as the Chief Operating Officer and Manager of Talwandi Sabo Power Limited. During the year gone by, your company has delivered the best ever annual operating and financial performance viz.

- Highest ever plant Technical Availability of 88% (FY2018: 74%)
- Highest ever gross generation of 10640 MUs (FY2018: 8557 MUs)
- Highest ever EBITDA of ₹ 1311 Crore (FY2018: ₹ 1181 Crore)
- Highest ever Fly Ash utilization of 109% (FY2018: 73%)
- Lowest ever Auxiliary Power Consumption of 7.34% (FY2018: 7.61%)
- Lowest ever Specific Oil Consumption of 0.33 ml/kwh (FY2018: 0.71 ml/kwh)

The year 2018-19 has been record breaking in many ways for your company and has been duly awarded with various awards – Dunn & Bradstreet Infra Award in the Power – Thermal & Hydro Sector, CII Award for excellence in water management, Apex India CSR excellence Gold Award for CSR works, Greentech Safety Gold Award in Power Thermal Sector and many more.

During FY 2017-18, company's O&M activities were contracted out to a single contractor M/s STEAG Energy Services (India) Pvt Ltd. – a German power station services company. The single O&M model is KPI based and has so far delivered the best outcome with its best in class industry practices.

Also, your company has been certified with ISO 50001:2018 certification from audit body M/s BSI India for migration to new EnMs standard from 2011 to 2018 and for establishment and maintenance of EnMS systems at TSPL.

While we pursue our goal of Zero Harm, Zero Discharge and Zero Waste, the company is diligently working towards ensuring risks or hazards free operations and has made significant improvement to the safety, environmental and social systems, thereby placing a strong foundation for the future growth of the company. I am happy to note that the company has, again, been awarded with Greentech Safety Gold Award in Power Thermal Sector for outstanding achievements in safety management and also appreciated by Punjab Pollution Control Board (PPCB) for commendable contribution towards environmental initiatives.

Besides, I am proud to say that we backed our commitment of giving back to the society and spent approx. ₹ 77 lacs on social programmes. Our efforts in the areas of Healthcare, Livelihood, Rural Development etc. have touched the lives of people who live around our operating site and will continue to enhance further through various CSR programmes in future.

Future Outlook
This year, the team's relentless efforts have shown the positive and rewarding outcome with optimum utilization of the resources and as we look out into the next year and beyond, we are focused on achieving the operational excellence with robust safety, health and environment performance and are very positive to achieve higher peaks in years to come.

Your company will continue to operate under the highest standards of corporate governance and digitalisation of our processes will go a long way in improving the overall performance of our business.

I would also like to extend my gratitude to all the employees, Board of Directors, our partners, stakeholders, Bankers, Central and State Governments for their continuous support and I look forward to a sustainable growth journey ahead.

Best Regards

C N Singh
COO & Manager

CSR – Responsible Social Behaviour

Talwandi Sabo Power Limited actively engages with communities to respond to the development challenges in its areas of operation through Corporate Social Responsibility interventions in thematic areas of health, livelihood along with initiatives in education, environment and water and sanitation. These interventions are based on need based participatory approach aligned with National, State and local needs.

All programmes are implemented in collaboration with stakeholders to ensure community ownership, suitable project design, effective delivery and post-project sustainability. Our partnerships extend from communities to government, development organizations and civil society organizations for execution of sustainable and impactful initiatives in the society. We imbibe the Vedanta Group Culture, its ethos and values in every aspect of our CSR programme.

Preference for CSR activities is given to local areas around Company's operations, ensuring that majority CSR resources are invested for local areas. During the year, about 21 villages and more than 7800 persons have been benefitted by the company's various CSR interventions.

All CSR projects and processes are monitored through multi-tiered governance protocols to ensure quality, impact and transparency. The projects are monitored and audited periodically by the internal and third party auditors, and reviewed by the Implementation Monitoring Committee, the Executive Committee and CSR Board Committee. The TSPL CSR policy and Vedanta Technical Standard 19 govern the CSR programmes and processes.

Need assessment survey and social impact evaluation was carried out at 14 of our locations in this fiscal year.

Key Areas	Aligned with
Health Livelihood Community Development	▪ SDG 2, SDG 3 ▪ National Mission for Sustainable Agriculture

KEY INITIATIVES

Clinical Health Services – To provide basic health care facilities to the communities around our areas of operation specialized clinics are operated along with clinical laboratory to meet the needs of the communities and provide quality services at nominal cost.

IMPACT

- 4,796 OPD consultations and 2643 clinical laboratory examinations
- 15 immediate villages served by the supported rural government Primary Health Center

Health camps – Medical health camps and awareness camps conducted on 'World No Tobacco Day', blood donation camps, mental health in partnership with Health Department Mansa and community as preventive healthcare measure.

IMPACT

- ~100 units of blood collected
- ~150 persons covered under awareness camps
- 385 persons screened at cancer screening and general health camp

Support to specially abled and poor women – TSPL undertook initiatives to mainstream the social and economically vulnerable mobility restricted persons and women from poor households by providing tri-cycles, sewing machines to earn livelihood and lead dignified lives.

IMPACT

- 25 physically disabled gained mobility through wheel chairs and tri-cycles
- Empowered 20 poor women with livelihood support via sewing machines

Sustainable Agriculture – Agriculture is the mainstay for the rural population in Punjab. In FY 2017, TSPL initiated a project to promote sustainable agricultural practices among the peripheral farmers. The farmers are being equipped with the required skills and knowledge to improve agrarian practices and increase farmer income. The project is promoting scientific agrarian practices such as System of Rice Intensification (SRI), multi-cropping, crop rotation, integrated cropping, tillage practices, optimum utilization of pesticides and fertilizers, vermicomposting, integrated pest management farmers.

IMPACT

- 500 farmers adopted sustainable best practices
- 200 acres freed from paddy stubble burning
- Cumulative savings of ~ ₹ 15,00,000/-

AWARDS

Recognition for work is a key motivation factor, and a testimony of the hard work that goes into making projects deliver quality for the people. This year the company was lauded for its efforts under CSR by various reputed agencies the awards and accolades including

- Apex India CSR Excellence 'Gold Award' 2018
- 6th Annual Greentech CSR Awards 2018
- Bharat Ratna Dr. A.P.J. Abdul Kalam Samman Puraskar
- Appreciation certificate for support to disabled and poor women on Independence Day by Deputy Commissioner
- Appreciation souvenir for contribution towards blood donation by Additional Deputy Commissioner and Civil Surgeon

AWARDS AND ACCOLADES

INDUSTRY EXCELLENCE

- Dunn & Bradstreet Infra Award in the category of **"Power – Thermal & Hydro Sector"**
- **"Power Plant Performer Award"** by Mission Energy Foundation

SUSTAINABILITY

- CII Award for excellence in water management in **"within the fence"** category
- Greentech Safety Gold Award in **Power Thermal Sector**
- Golden Bird Excellence Award for **Environment Excellence and Energy Efficiency**
- Shrishti Good Green Governance Award for **outstanding performance in environment management**
- Mission Energy Foundation Award for **Fly Ash Utilization**
- Recognition from Punjab Pollution Control Board for **exemplary contribution towards environmental activities**

CORPORATE SOCIAL RESPONSIBILITY

- Apex India CSR Excellence **'Gold Award'** 2018
- 6th Annual **Greentech CSR** Awards 2018
- Bharat Ratna Dr. A.P.J. Abdul Kalam Samman Puraskar

PEOPLE PRACTICES

- Acclamation in the category of "**Strong commitment to HR Excellence"** at 9th CII National HR Excellence Award 2018

BOARD'S REPORT

Dear Shareholders,

The Board of Directors presents the 12th Annual Report of the Company on the business and operations of your Company ('the Company or TSPL') together with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS FOR FY 2018-19

- Revenue increased by 26% to ₹ 5,286 Crore (FY 2018: 4,207 Crore)
- EBITDA increased by 11% to ₹ 1,311 Crore (FY 2018: ₹ 1,181 Crore)
- Gross Generation increased by 24% to 10,640 Mus (FY 2018: 8,557 MUs)
- Net debt reduced to ₹ 8,402 Crore (FY 2018: ₹ 8,627 Crore)

FINANCIAL PERFORMANCE SUMMARY

The summarized standalone results of your Company are provided below:

(₹ in Crore)

Particulars	Standalone Year ended March 31, 2019	Year ended March 31, 2018
Income from Operations	5235.60	4171.76
Other operating income	49.13	30.65
Other Income	1.68	4.32
Total Income	**5,286.41**	**4,206.73**
Total Expenses	**5,287.21**	**4,119.76**
Profit/(loss) before tax	**(0.80)**	**86.97**
Tax Expenses / (benefit):		
Deferred tax	53.78	180.81
Net Tax expense / (benefit):	**53.78**	**180.81**
Net Profit / (Loss) for the year	**(54.58)**	**(93.84)**
Other Comprehensive Income/(Loss) (net of taxes)	**(0.27)**	**0.18**
Total Comprehensive Income/(Loss) for the period	**(54.85)**	**(93.66)**
Earnings per share, ₹		
i. Basic	(0.17)	(0.29)
ii. Diluted	(0.17)	(0.29)

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

The company does not have any subsidiary, joint venture or associate company

DEPOSITS

As on March 31, 2019, the company has not accepted any deposits from the public under the ambit of section 73 of the Companies Act, 2013 read Companies (Acceptance of Deposits) Rules, 2014

DIVIDEND

Owing to inadequacy of profits, Board has not recommended any dividend on equity shares of the company during the financial year 2018-19

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Details of Material changes are provided in Note 2 & 3 to the financial statements of the company for the year ended March 31, 2019.

RESERVES & SURPLUS

The net movement in the major reserves of company for financial year 2018-19 and 2017-18 are provided below:

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Surplus/ Deficit in statement of Profit & Loss		
Balance at the beginning of the year	(595.95)	(502.29)
Add: Profit and Loss for the year	(54.58)	(93.84)
Less: Transfer to Debenture Redemption Reserve	-	-
Other Comprehensive Income	(0.27)	0.18
Closing Balance	(650.80)	(595.95)

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The company, being an infrastructure company, is exempt from the provisions applicable to loans, guarantees and securities under section 186 of Companies Act, 2013

Detail of investments are provided in schedules/ notes to the financial statements.

FOREIGN EXCHANGE – EARNINGS AND OUTGO

During the financial year 2018-19, Foreign Exchange Payments (Outgo) were ₹ 342.76 Crores and Foreign Exchange Earnings were Nil.

SHARE CAPITAL

The authorized share capital of the company is ₹ 40,00,00,00,000 divided into 4,00,00,00,000 (Four hundred Crore only) number of equity shares of ₹ 10/- (Rupee Ten) each and paid up share capital of ₹ 32,06,60,96,920 divided into 3,20,66,09,692 number of equity shares of ₹ 10/- (Rupee Ten) each

RELATED PARTY TRANSACTIONS

The company has in place a policy on related party transactions in line with Companies Act, 2013

Details of contracts or arrangements with related parties in Form AOC-2 is appended as **Annexure 1** to the Board's Report

CREDIT RATING

Your company is rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Ratings) for its banking facilities in line with Basel II norms

During the year, CRISIL changed the outlook on company's long term bank facilities and its Non-convertible Debentures (NCDs) programme to AA (SO)/ Stable Outlook from AA (SO)/ Positive Outlook. The Company has the highest short-term rating Commercial Paper programme at CRISIL A1+ (SO)

India Ratings changed the company's rating on long term scale to IND AA (SO)/ Stable from IND AA (SO)/ Positive during the year and short term fund based rating from IND A+/ Positive to IND A+/ Stable while maintaining the non fund based rating at IND A+.

RISK MANAGEMENT FRAMEWORK

A standardized Risk Management Process and System has been implemented across the Vedanta Group. The Board of Directors of the Company adopted risk management policy for:

- Evaluation of internal financial controls and risk management systems;
- Identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company; and
- Ensuring that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.

As a part of governance philosophy, the Risk Management Committee is there to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

INTERNAL FINANCIAL CONTROLS

As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable the Directors to meet these responsibilities, the Board has devised systems/ frameworks which are operating within the Company.

In line with best practice, the Board regularly reviews the internal control system to ensure that it remains effective and fit for purpose. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals. The systems / frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management framework and adequate segregation of duties to ensure an acceptable level of risk.

The Company has also adopted SAP GRC (Governance, Risk and Compliance) framework to further strengthen the internal control and segregation of duties/ access. The Company also follows a half yearly process of management certification through the Control Self- Assessment framework including on financial controls / exposures. The Company has documented Standard Operating Procedures (SOPs) for procurement, project / expansion management capex, human resources, sales and marketing, finance, treasury, compliance, safety, health and environment (SHE) and manufacturing.

VIGIL MECHANISM

The Company has established a robust vigil mechanism for reporting of genuine concerns by directors and employees through the Company's Whistle Blower Policy. As per the policy adopted by the Company, all complaints are reported to the Director – Management Assurance who is independent of operating management and businesses. A 24X7 whistle blower hotline and a web based portal is also available, all employees and stakeholders can register their integrity related concerns either by calling on a toll free number or by writing on the web based portal that is managed by a third party. After the investigation, established cases are brought to Group Ethics Committee for decision making. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable time frame. All Whistle Blower cases are periodically presented and reported to the Company's Audit Committee.

The Whistle Blower Policy is posted on the company's website under the link https://tsplindia.co/whistleblower-policy.pdf.

HUMAN RESOURCES

Human Resources plays a key role in success of business by professionally managing all business processes. We are young, energetic and vibrant team with the average age of 31. High performance culture of work force and job diversity is also capitalized. Safety and health requirements of employees and contract manpower are strictly followed.

The HR philosophy ensures, a philosophy of meritocracy; commitment to ensuring that all our workplaces are free from all forms of discrimination or any kind of harassment; complying with all applicable laws of the area where our operations exist; meeting all our responsibilities and HR obligations, as both a direct and indirect employer, and ensuring human rights are not violated; having effective internal systems and processes in place for talent management and engagement; creating a high performance culture – recognizing and rewarding in a fair and equitable manner; striving to drive and achieve industry best practices in our social stewardship; engaging with employees to encourage feedback and address concerns.

HR MISSION

"To strengthen our brand equity as a preferred employer, we shall work towards the following on an ongoing basis:

- Align HR processes with global benchmarks
- Be a strategic business partner
- Promote gender diversity & women empowerment
- Build competencies & provide opportunities for growth
- Foster collaboration, creativity, innovation & entrepreneurship
- Be a responsible corporate citizen

Our HR priorities

Organizational growth:

Our approach is focused on ensuring that we have the right person in the right role, along with clear succession planning, with a focus on critical positions. Learning culture is promoted to encourage and support continuous employee learning, critical thinking, and risk taking with new ideas.

Talent development and management:

Your company emphasized on talent nurturing, retention and engaging in a constructive relationship with employees with focus on creating high-performance sustainable organization that meets its strategic and operational goals and objectives. ACT-UP (Accelerated Competency Tracking & Up-gradation Process) is conducted in order to identify the fast trackers or high potential in the organization. Potential of the employees participating in the ACT-UP process is assessed by a reputed third party. The employees who are identified as the High potential at the end of the process are declared as STAR of the business.

Employee Engagement:

We provide an engaging work environment, with a spirit of common purpose. Across our operations, employees participate in a wide variety of activities to create a sense of shared ownership and participation. This ranges from the formal trainings, chairman's workshops, CEO's town hall meetings to broader cultural, sporting, social and leisure activities for employees and their families.

Diversity:

Diversity remains a strong focus. We provide equal opportunities to all our employees, irrespective of race, nationality, religion, gender or age. We are pleased with our progress on gender diversity and women now represent 21% of our total workforce

Empowerment of Women Professionals:

To induce a friendly work environment for women, "WE Committee" is in place. At TSPL, we have Internal Complaints Committee that takes care of timely redressal. In order to encourage Work life balance and Employee Delight we have invested and created superior quality world class infrastructure like Gym, Badminton Court, Hostel, Cafeteria etc.

Volunteering:

Employees volunteering has been an important way for adding purpose to the profession by encouraging team members to go beyond their work and contribute for the betterment of the society through CSR initiatives.

Special events for celebrating Women's Day, Ganesh Chaturthi, Diwali, Christmas and other festivals were organized aiming at promoting cultural practices at workplace.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and to foster a positive workplace environment, we have in place a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace.

In compliant with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the company has constituted an Internal Complaint Committee (ICC) to consider and address sexual harassment complaints in an effective manner.

During the calendar year ended on 31st December, 2018, the annual report of the number of cases filed under Sexual Harassment and their disposal is as under:

Particulars	No. of Cases
No. of Cases pending as on the beginning of the calendar year	Nil
No. of Complaints filed during the year	Nil
No. of cases pending as on the end of the calendar year	Nil

TECHNOLOGY AND DIGITALIZATION

The digital revolution is cascading across industries. Traditional business models are being disrupted with digital and software based business models. By changing processes from analog to digital, geographical boundaries of the organization are expanded which further reinvent the processes, improve the quality and promote consistency. The company strive towards continuous improvement and optimization of business processes.

During the financial year 2018-19, your company embarked on an exciting digital transformation journey by way of migration of SAP Business Suite to the HANA technology. In order to achieve our vision to modernize finance and simplify business processes, SAP S/4 HANA has helped in significantly enhancing our financial transparency and reporting, automating key business processes, agility of real time business insights, high performance analytics while creating efficient, automated and paperless workflow.

The Company's Power digitalization project aims at stepping towards new revolution by integrating the information technology and the operational technology for data mobility, real time diagnostics and analytics resulting into smart, efficient and green operations. Project includes real time monitoring with the help of dashboards, moving from reactive maintenance to proactive addressing of problems by using predictive tools having the capabilities of advance pattern recognition.

The company also add values to business through upgrading the existing projects resulting into reduction of cost, improving efficiencies and enabling decision making.

SUSTAINABILITY

The Company is committed to the principles of sustainable development, protecting human life health and environment, ensuring social well-being and adding values to the Communities. The Company believes in integrating its business with the social fabric of the society that it operates in and is a firm supporter of the triple bottom line concept – Planet, People & Profit.

TSPL continue to create value for all our stakeholders, to connect better and communicate Vedanta's social responsibility to all our stakeholders, the company has four pillars in our sustainability model, which also comprises of – Responsible Stewardship, Building Strong Relationship, Adding & Sharing Values and Strategic Communications. The Fourth pillar reflects our commitment to complete transparency and emphasizes our principles of community dialogue and mutual respect, including free prior informed consent to access natural resources.

During the FY 2018-19, TSPL has continued the implementation of Vedanta Sustainability Framework including safety performance standards. TSPL has revised all sustainability policies in the financial year 2018-19. Company is using the Vedanta Sustainability Assurance Programme (VSAP) to ensure framework compliance, including a programme of audits. We now have a platform that measures and reports on the performance of Sustainable Development processes across the Vedanta group. The implementation is based on SAP – Environment Health Safety (EHS). Further, Company has focused and working on zero harm, zero waste and zero discharge.

The businesses have performed well on sustainability aspects in the FY 2018-19:

- Zero fatal incident
- 1753 no. accident free man days (Fatal)
- 34.19 no. accident free million man hrs. (Fatal)
- Saving of 3.66 lacs m3 of water and 220.08 MU of energy
- Generation of 14598 units from 30 Kwp Solar Rooftop Panel and reduction in carbon footprint of 13.21 MT of CO_2
- 109% fly ash utilization
- Improvement in ambient air quality by plantation of 30,000 saplings in nearby cities and villages to support Chief Minister of Punjab Project "Mission Tandrust Punjab"

Further as per the community need based assessment, all our operations are making a valuable contribution to the social and economic development of the communities in which we operate.

The Company has been certified by the Management System Certificate in following category:

(a) Occupational Health and Safety Management System standard: ISO 45001:2018
(b) Quality Management System standard: ISO 9001:2015
(c) Environmental Management System standard: ISO 14001:2015
(d) Energy Management System Standard: ISO 50001:2018
(e) Road Traffic Safety Management Standard: ISO 39001:2012

- Health, Safety & Environment

The Company is committed to ensure that the health and safety of all its Stakeholders and preservation of environment is of paramount importance and takes precedence in all its business decisions. The health and safety of its stakeholders who may be impacted by its operations is its prime concern and in pursuit of this belief and commitment.

TSPL has made significant progress towards Zero Harm by engaging all level of employees and contract partners and implemented safety performance standards & S5 house – keeping drive, 11000 man days safety training, compliance of safety alerts and focus on implementation of Wave – 2&3. TSPL has zero liquid discharge system, equipped with Hybrid ESPs to control emission, HSCD system for Ash handling & disposal and state of art Dust extraction/ suppression.

- Biodiversity - Care for our Environment

The Company addresses various aspects of resource conservation, energy efficiency, carbon footprint, biodiversity and green buildings. We are conscious that biodiversity is a complex phenomenon that needs to be identified, understood and valued from a biological and societal (i.e. in terms of ecosystem services) perspective.

We believe that our performance on biodiversity conservation will create long term value for our business. TSPL strives to:

- Prevent where possible, minimize and mitigate biodiversity risks. We will manage and use land in our operation in a manner that allows biodiversity conservation needs to be integrated with business needs through the project lifecycle, including decommissioning, closure and rehabilitation;

- Comply with, and exceed where possible, the local, regional and national legislative requirements on land management and biodiversity conservation and applicable international conventions where applicable;

- Identify and assess biodiversity status and value before the start of a new project and monitor impacts over the project lifecycle;

- We will consider the impacts on ecosystem services;

- Work towards conservation of threatened / rare and endemic species and high priority conservation areas, and support local, national and global conservation initiatives. We will provide and raise awareness among our employees and other stakeholders to enhance knowledge and understanding of biodiversity and conservation issues, where applicable.

- Communities

Development of the communities' we operate in is of utmost importance to us. Inclusive growth and development of the community and business is embedded in our sustainability framework. Our community driven corporate social responsibility interventions reinforce the company's' commitment towards building strong stakeholder relationships for a mutually benefitting cohabitation and ownership.

At TSPL, we aim at empowering the communities through focused efforts across- health, education, livelihood and environment. This is achieved through our network of partners including academia, government and non-profit organizations. Our efforts are designed to support and compliment government run programs and welfare schemes.

OPERATIONS AND MAINTENANCE (O&M)

Financial year 2018-19 saw a complete turnaround in TSPL's plant performance with strong operational performance and best ever key performance indicators like plant availability, station heat rate (SHR), Auxiliary power consumption (APC), Specific Oil Consumption (SOC) etc.

During 2017-18, TSPL's O&M activities were contracted out to a single contractor M/s STEAG Energy Services (India) Pvt. Ltd. – WOS of STEAG Energy Services GmbH, a German power station services company.

Unlike previous O & M models which were evaluated on compliances, the single O & M model is KPI based, directly aimed to achieve business deliverables and the model has so far delivered the best outcome with instituting best in class industry practices.

A robust governance mechanism is in place to continuously assess asset health condition and to ensure improvement of quality of deliveries in terms of production, health, safety & environment.

Highlights of the year:

- Highest ever ash utilization – 109%
- Highest ever gross generation – 10640 Mus
- Highest ever technical availability – 88%
- Lowest ever SOC – 0.33 ml/Kwh
- Lowest ever APC – 7.34%
- IMS/EnMS/ NABL recertification – Upgradation to new standard and certification

TSPL has been certified with ISO 50001:2018 certification from audit body M/s BSI India. The certification is for migration to new EnMS standard from 2011 to 2018 and for establishment and maintenance of EnMS systems at TSPL

CORPORATE SOCIAL RESPONSIBILITY

Your company is committed to reinvest in the social good of our neighbourhood communities with a larger goal of creating enduring values for the communities it operates in and ensuring their socio-economic prosperity. The company engages with communities through Corporate Social Responsibility (CSR) initiatives with major thrust on Health, Livelihood, Rural development apart from other initiatives. The programmes are implemented- directly through the Corporate Social Responsibility teams and in partnership with communities, government and civil society organizations to ensure effective implementation and project sustainability. All these initiatives are governed by Vedanta Technical Standard 19 and TSPL's CSR Policy which outlines the company's strategy to bring about a meaningful positive impact in the society. The CSR committee of the company spearheads the overall CSR strategy and implementation of the interventions.

Detailed policy is posted on company's website at https://tsplindia.co/TSPL-CSR-Policy-2017.pdf

Annual Report on Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of the report as **Annexure – 2**.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

The information on conservation of Energy and Technology Absorption as stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is attached as **Annexure – 3**.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS

As on the date of report, the Company consists of following Directors on the Board effective from 27th April, 2019:

S. No.	Name of Director	Designation
1	Mr. Agnivesh Agarwal	Non-Executive Director – Chairman
2	Mr. Ajay Kapur	Whole-time Director
3	Mr. Gurminder Singh Kang	Independent Director
4	Ms. Mala Todarwal	Independent Director
5	Mr. Sushil Kumar Roongta	Non-Executive Director
6	Ms. Pooja Somani	Non-Executive Director

Appointments: Board of Directors in its meeting held on 26th April, 2019 approved the appointment of Mr. Agnivesh Agarwal as Non-Executive Director & Chairperson of the Company w.e.f. 27th April, 2019 and Mr. Ajay Kapur as Whole-time Director on the Board of TSPL effective from 27th April, 2019, subject to approval of shareholders at its ensuing Annual General Meeting.

Re-appointment: During the period under review, Mr. Sushil Kumar Roongta (DIN: 00309302) was re-appointed as Non-Executive Director of the Company, being liable to retire by rotation.

Cessations: Board in its meeting held on 26th April, 2019 took note of resignation of:

1. Mr. Ajay Kumar Dixit as Whole-time Director effective from 27th April, 2019

2. Mr. Mansoor Siddiqi as Non-Executive Director effective from 27th April, 2019
3. Mr. Sushil Kumar Roongta as Chairperson of the Company effective from 27th April, 2019

KEY MANAGERIAL PERSONNEL (KMP)
As on the date of report, the Company consists of following Key Managerial Personnel:

S. No.	Name of Director	Designation
1	Mr. Chhavi Nath Singh	Chief Operating Officer & Manager
2	Mr. Rohit Agarwal	Chief Financial Officer
3	Ms. Mansi Bhutani	Company Secretary

Appointments: During the year 2018-19, no new appointments were made.

Re-appointment: Board re-appointed Mr. Chhavi Nath Singh as Manager of the Company w.e.f 26th April, 2019, subject to the approval of shareholders at ensuing Annual General Meeting.

Cessations: No Cessations were there during the financial year 2018-19

DIRECTORS' RESPONSIBILITY STATEMENT
Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the internal auditors, statutory auditors, cost auditors, secretarial auditors and external consultants and the reviews performed by the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Management of affairs were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures from the same;

- 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, i.e. March 31st, 2019 and of the profit and loss of the Company for that period;

- 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;

- 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

- 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.

DECLARATION OF INDEPENDENCE
The Company has received declaration from the Independent Directors confirming that they continue to meet the criteria of independence as provided under section 149 (6) of the Companies Act, 2013 and comply with the Code for Independent Directors as specified under Schedule IV of the Act

ANNUAL EVALUATION OF PERFORMANCE OF BOARD AS A WHOLE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS
Pursuant to the provisions of the Companies Act, 2013, an annual evaluation of performance of the Board as a Whole, its Committees and Individual Directors was carried out for the financial year 2018-19.

Structured questionnaires / performance evaluations forms were circulated to all the Directors based on parameters like Preparation and Participation, Personality and Conduct, Quality of Value added by the Directors, Structure, Composition, Practices and Quality of Board etc.

Overall evaluation of all the Directors, Board as a whole and its Committees have remained satisfactory during the financial year 2018-19, the same was placed in the Nomination & Remuneration Committee Meeting and was further recommended and approved respectively, by the Board in its meeting held on 26th April, 2019.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of the provisions of Section 178 (3) of the Companies Act, 2013, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

In line with the above requirement, the Board has adopted the Nomination and Remuneration Policy on Board Diversity and Director Attributes, which is displayed on the website of the Company under the link:

https://tsplindia.co/Policies/Nomination-& -Remuneration -Policy.pdf

LISTING FEES

As on March 31, 2019, Non-Convertible Debenture amounting to ₹ 3,250 Crore (Rupees Three Thousand Two Hundred and Fifty Crore) are listed on the National Stock Exchange and pursuant to the Listing Agreement, the Company confirms that it has paid the annual listing fees for the year 2018-19 to the Stock Exchange.

AUDITORS

STATUTORY AUDITOR

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No: 301003E) were appointed as Statutory Auditors of your company at the 9th AGM held on 22nd June, 2016 for a term of five consecutive years i.e. until the conclusion of 14th AGM.

The report of the Statutory Auditors along with notes to Schedules is attached to the Report. Further to it, under clause (ca) of sub-section (3) of Section 134 of the Companies Act, 2013, no fraud was reported by the Auditor under sub-section (12) of Section 143 in the FY 2018-19.

The Statutory Auditor's Report does not contain any qualification, reservations, adverse remarks and disclaimer.

COST AUDITOR

In accordance with Section 148 of the Companies Act, 2013, company is required to have the audit of cost records relating to electricity generation for the financial year 2018-19 conducted by a Cost Accountant in practice.

The Board, on recommendation of Audit Committee, has appointed M/s R J Goel & Co., Practicing Cost Accountants (Firm Registration No. 000026) as the Cost Auditor of the Company for the financial year 2018-19 at a remuneration approved by Board and ratified by Members of the Company at the 11th AGM.

No Qualifications, adverse remarks were reported by the Auditor in the Cost Audit Report for the financial year 2017-18.

SECRETARIAL AUDITOR

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. Chandrasekaran Associates, Practicing Company Secretaries (Firm Registration No. ¬002500) as the Secretarial Auditor of the Company to undertake the Company's Secretarial Audit for the financial year 2018-19.

The Auditor reported the observation with respect to publication of financial results in atleast one English National daily newspaper circulating in the whole or substantially the whole of India as per Regulation 52 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein Board explained that based on the understanding that TSPL has its debentures issued on private placement basis and the no. of investors is less, financial results are shared separately with the debenture holders periodically and are also available in public domain i.e. website of the company. However, for better governance and disclosure practices, results for the period ended March 31, 2019 were published in the newspaper within the prescribed time limit.

The Secretarial Audit Report for the financial year 2018-19 forms part of the Board Report as **Annexure – 4**.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT- 9, is provided in **Annexure – 5**.

COMPLIANCE MANAGEMENT FRAMEWORK

To strengthen the compliance monitoring system, TSPL has implemented an upgraded automated compliance management tool "E-nforce Plus". This tool serves as a central repository of all compliance obligations of the company which further help in improving the compliance discipline and culture within the organization.

Framework for monitoring performance against anti-bribery and corruption guidelines is in place.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out in the Companies Act, 2013.

The Corporate Governance Report detailing the following is attached and forms part of Statutory Report:

- Company Philosophy on Corporate Governance

- Board of Directors and their attendance at the meetings held during financial year 2018-19
- Committees of Board of Directors and their meetings held during the financial year 2018-19
- General Body Meetings and Special Resolutions passed thereat
- Disclosures required under SEBI (LODR) Regulations, 2015
- Means of Communication
- General Shareholders Information

ACKNOWLEDGEMENT

On behalf of Board of Directors of Company, we like to place on record our deep appreciation to employees at all levels for their hard work, determined efforts, dedication and commitment towards the company and for making Talwandi Sabo Power Limited what it is.

The Board also extends its appreciation to our shareholders, stakeholders, Customers, Business Partners, Vendors, both international and domestic, Bankers, Financial Institutions, Academic Institutions, Investors and others associated with the Company.

The Board is thankful to the Government of India, State Governments, various Ministries, Central and State Electricity Regulatory Authorities, Municipal Corporation of Punjab, other regulatory authorities and communities in the areas of operation for their continued support and assistance extended.

For and on behalf of Board of Directors
Talwandi Sabo Power Limited

S. K. Roongta	**Ajay Kumar Dixit**
Non-Executive Chairman	**Whole-time Director**
DIN: 00309302	**DIN: 03086605**

Place: New Delhi
Date: 26th April, 2019

FORM AOC-2
RELATED PARTY TRANSACTIONS

Annexure -1

I. 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/ arrangement / transactions	Duration of contract / arrangement /transactions	Salient terms of contract/ arrangements / transactions (including value, if any)	Justification for entering into contract /arrangement /transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General Meeting as required under 1st proviso to section 188
			NIL				

II. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Duration of contract / arrangement /transactions	Salient terms of contract / arrangements / transactions (including value, if any)	Approval by the Board	Amount paid as advances, if any
Vedanta Limited	Purchase and sale of scraps/Assets, Guarantee, LTIP, Recovery/ Reimbursement of Expenses	Continuous	Standard terms & conditions	Yes	N/A
Malco Energy Limited	Same as above	Continuous	Same as above	Yes	N/A
Bharat Aluminium Company Limited	Same as above	Continuous	Same as above	Yes	N/A
Vizag General Cargo Berth Pvt Ltd.	Same as above	Continuous	Same as above	Yes	N/A
Hindustan Zinc Limited	Same as above	Continuous	Same as above	Yes	N/A
Sterlite Power Grid Ventures Limited	Same as above	Continuous	Same as above	Yes	N/A
Electrosteel Steels Limited	Same as above	Continuous	Same as above	Yes	N/A

ANNUAL REPORT ON CSR ACTIVITIES

Annexure-2

As per Section 135 of Companies Act, 2013

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.	The CSR policy lays out the approach and strategy for our social interventions. We seek to achieve inclusive growth and development of the communities and business through CSR in partnership with stakeholders. Key action areas – ❖ Health & sanitation ❖ Education ❖ Livelihood ❖ Women empowerment & equal opportunities for the deprived ❖ Environment ❖ Protection of national heritage, art and culture ❖ Aid for the benefit of armed forces veterans, war widows and their dependents; ❖ Sports and culture ❖ Contribution to national relief funds ❖ Contributions for technology incubators ❖ Rural development projects ❖ Slum area development All CSR interventions shall be governed appropriately by the CSR board and other management committees for their impact and successful implementation at periodic intervals in accordance with the Company and government mandates.
2.	The composition of the CSR committee	1. Mr. Gurminder Singh Kang – Chairman 2. Ms. Mala Arun Todarwal – Member 3. Ms. Pooja Somani – Member
3.	Average net profit of the Company for last three financial years.	₹ (143.47) Cr
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	N.A.
5.	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year	₹ 1.05 Crores (as per Board approved Business Plan)
(b)	Amount unspent, if any	₹ 0.28 Crores

5(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Project or the programs: Local Area or other	Project or the programs: State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount in ₹ lacs)	Amount spent on the projects or programs Subheads: (Amount in ₹ lacs) Direct expenditure on projects or programs.	Overheads	Cumulative expenditure up to the reporting period (Amount in ₹ lacs)	Amount spent Direct or through implementing agency
1	Integrated School Development	Children's Well-being & Education	Local area	Mansa	10.00	2.72	0.00	2.72	Direct
2	Coaching Project		-	-	15.00	0.00	0.00	0.00	-
3	Women Empowerment through SHG	Women's Empowerment	-	-	20.00	0.00	0.00	0.00	-
4	Clinical Health Services	Health Care	Local area	Mansa	20.00	12.91	0.00	12.91	Ivy Health & Life Science Pvt Ltd
5	Specialized Camps		Local area	Mansa	0.60	0.26	0.00	0.26	Direct
6	Sustainable Agriculture promotion project	Agricultural and Animal Husbandry	Local area	Mansa & Bathinda	15.00	16.30	0.00	16.30	The Nabha Foundation
7	Rural Infrastructure Projects	Community Development (Infrastruture)			10.00	0.00	0.00	0.00	
8	Need based projects	Rural Development	Local area	Mansa	4.50	3.00	0.00	3.00	Direct & Implementing Agency
9	Studies, Audits, Awards etc.	Program & Admin	Local area	Mansa & Bathinda	10.50	15.90	0.00	15.90	Direct & Implementing Agency
10	Salary etc.	Program & Admin	Local area	Mansa		26.36	0.00	26.36	Direct & Implementing Agency

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.	Since the company does not have profits during the year, hence, spent the amount of ₹ 0.77 Cr on CSR activities, voluntarily during the FY 2018-19.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Gurminder Singh Kang
Chairman – CSR Committee
DIN: 06933515

Place: Mumbai
Date: 26th April, 2019

Ajay Kumar Dixit
Whole-time Director
DIN: 03086605

Place: New Delhi
Date: 26th April, 2019

ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

Annexure -3

CONSERVATION OF ENERGY

Conservation of natural resources continues to be the key focus area of your Company. Some of the important steps taken in this direction follow:

1. **Steps taken or impact on conservation of energy**:

- Formulation of young and innovative Energy Management Committee comprising of 48 trained & experienced Energy Champions from each area.
- Energy savings of more than 108 MUs achieved in FY'19 through various OPEX & CAPEX projects which is 37 MU's more than the energy saved during last entire year.
- The Company has been recommended for ISO 50001:2018 certification after stringent audit by external auditors.
- Fly ash utilization continues to be key priority area for the company. Highest ever fly Ash Utilization of 109% achieved in FY'19 thereby reducing auxiliary power consumption and improving the carbon footprint of the company.
- Monthly tracking of energy consumption by energy champions of respective areas.
- Energy performance indicators identified with yearly targets; all areas objectives and targets linked with energy performance.
- Compliance of ISO 50001:2018 energy management standards.
- Key focus areas are identified and improvement projects are in pipeline to further reduce the energy consumption of the company.

2. **Steps taken by the Company for utilizing alternate sources of energy:**

- 30 Kwp solar roof top panel made operational in July'17. 22000 units of clean energy generated so far.
- Club Urja, a CSR energy awareness initiative of TSPL launched with the aim of targeting 1,00,000 stake holders including students, villages, farmers and other electricity consumers. As on date, 33,000 people from 43 schools and 6 NGO's have got associated with it.

3. **Capital Investment on Energy Conservation Equipment:**

- Installation of Variable frequency drive (VFD) in CEP Pumps in 1 unit – ₹ 200 Lacs
- Installation of centrifugal pumps in place of piston pumps for Ash handling – ₹ 577 Lacs
- Corrocoating of open cycle pumps for efficiency improvement- ₹ 7 Lacs
- Replacement of FF Bags during annual overhaul- ₹ 258 Lacs
- Replacement of CFL and Halogen lamps with LED's- ₹ 20 Lacs
- CAPEX in place for installation of VFD's in CEP in remaining units

TECHNOLOGY ABSORPTION

1. **Efforts in brief made towards technology absorption, adaptation and innovation:**

- Power Digitalization project underway with facility of online dash boards, report automation, diagnostic tools, alert / alarm management and performance models.
- Second phase of digitalization partly completed which includes implementation of advance pattern recognition (APR) program. This program enables early detection of anomalies to minimize secondary damage and improve plant availability.
- Implementation of kaizens on energy to promote innovation in energy.

2. **Any benefit derived like product improvement, cost reduction, product development and import substitution:**

- Allows users to minimize time spent in collecting information and focus their efforts on identifying savings opportunities, increasing behavioral and operational efficiency, quick decision making and tracking improvements across entire plant areas.

3. **In case of Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year), the following may be furnished:**

Details of technology(ies) imported	660 MW thermal plant technology in Turbine; boiler; generator; its auxiliaries and its complete automation; SCADA
The year(s) of import(s)	2011-12-13
Whether technology being fully absorbed?	Yes
If not fully absorbed, areas where absorption has not taken place and reasons thereof	NA

4. **Expenditure incurred on Research and Development:** NA

FORM MR-3

Annexure -4

Secretarial Audit Report

For the financial year ended March 31, 2019

To,
The Members,
Talwandi Sabo Power Limited
Village Banawala,
Mansa - Talwandi Sabo Road,
Mansa, Punjab- 151302

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Talwandi Sabo 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

i. The Companies Act, 2013 (the “Act”) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 (”SCRA’) and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; Not Applicable
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act”):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
   (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 to the extent of securities issued;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

1) Electricity Act, 2003 and rules and regulations made thereunder;
2) Indian Boilers Act, 1923 and rules and regulations made thereunder;

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except Regulation 52(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of publication of financial results in at least one English national daily newspaper circulating in the whole or substantially the whole of India.

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, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Shareholders of the Company in its meeting held on June 22, 2018 have approved issue and allotment of Secured, Redeemable, Non-Convertible Debentures aggregating upto Rs. 2500 Crores.
2. The Company has allotted 12,000 Secured, Redeemable, Non-convertible Debenture of face value of Rs. 10,00,000/- each aggregating to Rs.1200 Crores.

For Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

Date: 26th April, 2019
Place: New Delhi

Note: 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 Secretarial Audit Report

To,
The Members,
Talwandi Sabo Power Limited
Village Banawala,
Mansa - Talwandi Sabo Road,
Mansa, Punjab- 151302

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random 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. Whenever 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 random 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 Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

Date: 26th April, 2019
Place: New Delhi

FORM MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2019

Annexure - 5

I. REGISTRATION AND OTHER DETAILS:

Corporate Identification Number (CIN)	L40101PB2007PLC031035
Registration Date	5th April, 2007
Name of the Company	Talwandi Sabo Power Limited
Category / Sub-Category of the Company	Company Limited by Shares / Non – Government Company
Address of the Registered Office and Contact details	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab -151302
Whether listed Company	Listed

Registrar & Share Transfer Agent

Name	Address	Contact No.
Karvy Computershare Private Limited	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad	Tel: +91 40 6716 1700, Toll Free No.: 1800 425 8998, Fax: +91 40 2311 4087

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

Name and Description of the main product(s) / service(s)	NIC code of the product / service	% turnover of the Company
Electricity generation by coal based thermal electric plant	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held
Vedanta Limited 1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East) Mumbai, 400093	L13209MH1965PLC291394	Holding Company	100 %

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

a. Category Wise Shareholding

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 Share	Demat	Physical	Total	% of Total Share	
A. Promoters & Promoter Group									
1. Indian									
Individual / HUF	0	6	6	.001	0	6	6	.001	0
Central Government/ State Government	0	0	0		0	0	0	0	0

Bodies Corporate	0	3,206,609,686	3,206,609,686	99.99	0	3,206,609,686	3,206,609,686	99.99	0
Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-Total A(1)	**0**	**3,206,609,692**	**3,206,609,692**	**100**	**0**	**3,206,609,692**	**3,206,609,692**	**100**	**0**
2. Foreign									
Individuals (NRIs / Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-Total A(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter =A(1)+A(2)	**0**	**3,206,609,692**	**3,206,609,692**	**100**	**0**	**3,206,609,692**	**3,206,609,692**	**100**	**0**
B. Public Shareholding									
1. Institutions									
Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
Central Government/ State Government	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-Total B(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
Bodies Corporate	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0

(i) Individuals holding nominal share capital up to 1 lakh	0	0	0	0	0	0	0	0	0
(ii) Individuals holding nominal share capital in excess of 1 lakh	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-Total B(2)	0	0	0	0		0	0		0
Total Public Shareholding (B)=B(1)+B(2)	0	0	0	0		0	0		0
Total (A+B)	**0**	**3,206,609,692**	**3,206,609,692**	**100**		**3,206,609,692**	**3,206,609,692**		**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0		0	0	0	0
Grand Total (A+B+C) :	**0**	**3,206,609,692**	**3,206,609,692**	**100**		**3,206,609,692**	**3,206,609,692**	**100**	**0**

b. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			Change in Shareholding 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	No. of shares	%
Vedanta Limited	3,206,609,692	100%	NIL	3,206,609,692	100%	NIL	NIL	NIL

c. Change in Promoter's Shareholding

Particulars	Shareholding at the beginning of the year (1st April, 2018)		Cumulative holding during the year (2018-19)	
	No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	3,206,609,692	100%	3,206,609,692	100%
Date wise Increase / Decrease in Promoters 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	**3,206,609,692**	**100%**	**3,206,609,692**	**100%**

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

For each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2018)		Cumulative holding during the year (2018-2019)	
	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 (or on the date of separation, if Separated during the year)	NIL	NIL	NIL	NIL

e. Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	3	0.0000001%	3	0.0000001%
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	**3**	**0.0000001%**	**3**	**0.0000001%**

V. INDEBTEDNESS:

Indebtedness of the Company including Interest Outstanding/ accrued but not due for payment (₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2018)				
i. Principal Amount	6,71,378.00	1,92,510.17	-	8,63,888.17
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	6,329.87	1,212.50	-	7,542.37
Total (i + ii + iii)	**6,77,707.87**	**1,93,722.67**	**-**	**8,71,430.54**
Change in indebtedness during the year (2018-19)				
Addition	2,79,202.91	7,37,160.92	-	10,16,363.83
Reduction	2,35,345.61	7,79,478.59	-	10,14,824.20
Net Change relating to principle amount	**43,857.30**	**(42,317.67)**	**-**	**1,539.63**
i. Principal Amount	7,15,235.30	1,50,192.50	-	8,65,427.80
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	18,969.38	1,035.09	-	20,004.47
Total (i + ii + iii)	**7,34,204.68**	**1,51,227.59**	**-**	**8,85,432.27**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Mr. G. S. Kang	Mr. S. K. Roongta	Ms. Mala Todarwal	
Independent Directors					
1.	Fee for attending Board Meetings	**2,00,000/-**		2,00,000/-	4,00,000/-
2.	Fee for attending Committee Meetings	1,50,000/-		1,50,000/-	3,00,000/-
3.	Commission	Nil		Nil	Nil
4.	Others, please specify	Nil		Nil	Nil
Total (1)		**3,50,000/-**		**3,50,000/-**	**7,00,000/-**
Non – Executive Directors					
1.	Fee for attending Board Meetings		2,00,000/-		2,00,000/-
2.	Fee for attending Committee Meetings		75,000/-		75,000/-
3.	Commission		Nil		Nil
4.	Others, please specify		Nil		Nil
Total (2)			**2,75,000/-**		**2,75,000/-**
Total (1+2)		**3,50,000/-**	**2,75,000/-**	**3,50,000/-**	**9,75,000/-**
Overall Ceiling per meeting of Board/ Committee as per the Companies Act, 2013		*1,00,000/-*	*1,00,000/-*	*1,00,000/-*	*3,00,000/-*

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

Talwandi Sabo Power Limited aims to build sustainable value for its stakeholders. The goal of the Company is to be the most efficient, sustainable and admired power producer in the Country, making our stakeholders proud and powering the growth of Punjab. The mission of the Company is to:

- Enhance the stakeholder's values through innovation, operational excellence and sustainability.
- To harness the technology to its fullest potential and in a sustainable manner.
- To become a vibrant and learning organization by building the skills and competencies of our people.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of all the stakeholders in a Company – these include its shareholders, management, customers, suppliers, financiers, government and the community, the system of rules, practices and processes by which a Company is directed and controlled. It is about promoting corporate fairness, transparency and accountability. It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholder interests;
- Commitment to values and ethical conduct of business.

The Company believes that its affairs shall be conducted by following the best practices and principles, irrespective of its relation to the customers, employees, stakeholders or the community. Its Corporate Governance structure is based on the following principles:

- **Trusteeship:** A transparent and independent Board with a balanced composition and size can provide effective leadership to the Company. The Board is the trustee for all stakeholders.
- **Aim:** Accountability, independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures drive the Company's Corporate Governance.
- **Entrepreneurship:** The Company empowers the management and employees, especially women, to showcase strength, ownership, innovation and passion to excel and lead.
- **Creating value:** The Company undertakes efficient resource management to enhance enterprise value and return on investment.
- **Concern and respect for people and environment:** The Company works for the society and community.

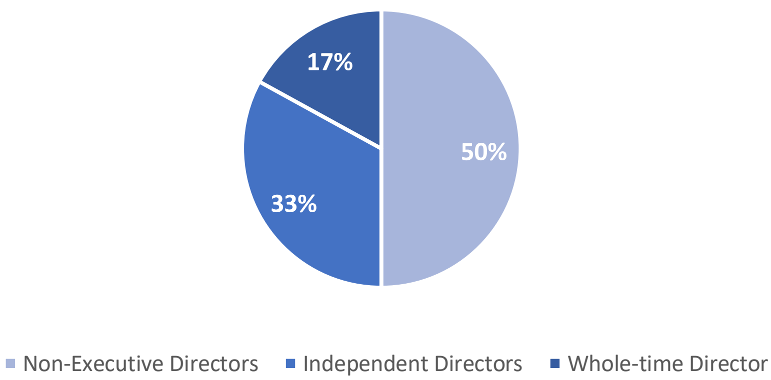
We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

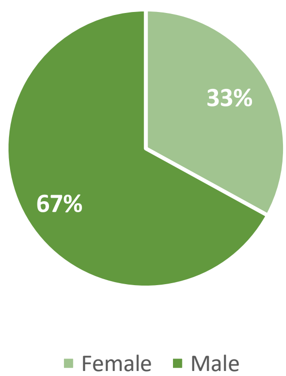
BOARD OF DIRECTORS

The Board of Directors is the trustee to the stakeholders and is responsible for corporate strategy, drives strategic decisions, reviews major plans of action, including decisions concerning the Company's capital, such as capital restructure, capital returns and security issue and so on. Besides, the plans of action also include risk policy, review and approval of annual budgets and business plans and monitor performance against corporate strategy on a regular basis.

Our Board of Directors shapes the long term vision and policy approach to steadily elevate the quality of governance in our organisation. The Board puts a lot of emphasis on ethical business practices and making all our actions consistent with the need to protect the environment by following green practices and technologies.

To maintain its functions of governance and management, our Board consists of an appropriate mix of executive, non-executive and independent directors. Detailed profile of the Directors can be viewed on the website at www.tsplindia.co.





MR. AGNIVESH AGARWAL
NON-EXECUTIVE CHAIRMAN

Aged 42 years, is a holder of Bachelor Degree in Commerce from University of Mumbai and holds the position of Chairman and Managing Director at Fujairah Gold FZC.

Mr. Agarwal joined Talwandi Sabo Power Limited as Director and Chairman on the Board w.e.f. 27th April, 2019

He has more than a decade of rich experience in the corporate sector with strong knowledge of business operations and in depth experience in managing projects

MR. GURMINDER SINGH KANG
INDEPENDENT DIRECTOR

Aged 72 years, is a holder of Master's degree in History and English form University of Punjab

Mr. Kang has been on Board of TSPL since July, 2011 as Non-Executive Director and thereafter as Independent Director since March, 2015.

He was a member of Indian Administrative Services (IAS) and retired as Chief Secretary in September, 2006.

He has been awarded as "Best Bureaucrat" from Prime Minister in 2005

MS. MALA TODARWAL
INDEPENDENT DIRECTOR

Aged 34 years, is a member of the Institute of Chartered Accountants of India.

Ms. Todarwal has been on Board of TSPL since March, 2015 as Independent Director.

She is a partner of Arun Todarwal & Associates LLP, a Mumbai based firm of CA, who are senior members of International Association of Practicing Accountants (IAPA) and the UK Group – International Accounting Bodies based in UK

MR. AJAY KAPUR
WHOLE-TIME DIRECTOR

Aged 53 years, is an Economics Graduate from St. Xavier's College, Mumbai and an MBA from KJ Somaiya Institute.

Mr. Kapur joined Vedanta Group as CEO – Aluminium & Power in March, 2019 and thereafter as Whole-time Director of TSPL on 27th April, 2019

He is a member of Board of Governors of National Council for Cement and Building materials and also the Chairman of CII – Cement Industry Division

MR. SUSHIL KUMAR ROONGTA
NON-EXECUTIVE DIRECTOR

Aged 68 years, is a holder of B.E (H) in Electrical Engineering from BITS and gold medal in Post Graduate Diploma in Business Management and International Trade from IIFT, New Delhi.

Mr. Roongta has been on Board of TSPL since January, 2012 as Non-Executive Director.

He is a fellow member of All India Management Association and National Executive Committee of FICCI

MS. POOJA SOMANI
NON-EXECUTIVE DIRECTOR

Aged 35 years, is a fellow member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India

Ms. Somani has been on Board of TSPL since March, 2015 as Non-Executive Director.

She joined Vedanta Group in October, 2004 and handled variety of financial appointments in the areas of Business Development, Mergers and Acquisitions, Corporate Finance, Audit & Accounting and Corporate Strategy

○ ***Composition, Directorship and Meetings:***

As on date of report, the Board of Directors comprises of six Directors which includes three Non-Executive Directors, two Independent Directors and one Whole-time Director. The composition is in conformity with the provisions of Companies Act, 2013.

No Director is related to each other and are not the promoters of the Company. The Board being representative of shareholders have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected.

The Board/Committee Meetings are pre-scheduled and an annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance.

Minimum four meetings are scheduled annually. Additional meetings of the Board are held as and when deemed necessary. The Agenda papers along with the supporting annexures for the meetings are provided well in advance for each of the meeting of Board and Committees. However, to address urgent issues, resolutions are passed by way of circulation in line with the provisions of Section 175 of the Companies Act, 2013.

During the financial year 2018-19, four meetings of Board of Directors were held on 19th April, 2018, 21st July, 2018, 23rd October, 2018 and 24th January, 2019. The gap between any two consecutive meetings of the Board was not more than one hundred and twenty days (120 days).

During 2018-19, 3 matters were approved by Board of Directors and 1 matter by Audit Committee by means of resolution by circulation.

○ ***Attendance of Directors at the Board Meetings and Annual General Meeting held during the FY 2018-19:***

Name of Director	Category	Board Meetings held during the FY 2018-19		Attendance at last AGM held on 22nd June, 2018
		Held	Attended	
Mr. Sushil Kumar Roongta DIN:00309302	Non-Executive Director	4	4	No
Mr. Gurminder Singh Kang DIN: 02818868	Independent Director	4	4	Yes
Ms. Mala Todarwal DIN: 06933515	Independent Director	4	4	No
Mr. Ajay Kumar Dixit DIN: 03086605	Whole-time Director	4	4	Yes
Mr. Mansoor Siddiqi DIN: 01256089	Non-Executive Director	4	3	Yes
Ms. Pooja Somani DIN: 07131449	Non-Executive Director	4	3	No

○ ***Details of Board Meetings:***

Name of Director / Date of Meeting	Mr. Sushil Kumar Roongta	Mr. Gurminder Singh Kang	Mr. Mansoor Siddiqi	Mr. Ajay Kumar Dixit	Ms. Mala Todarwal	Ms. Pooja Somani
19th April, 2018	✓	✓	✓	✓	✓	✓
21st July, 2018	✓	✓	×	✓	✓	✓
23rd October, 2018	✓	✓	✓	✓	✓	✓
24th January, 2019	✓	✓	✓	✓	✓	×

× *Leave of absence was granted to Mr. Mansoor Siddiqi and Ms. Pooja Somani – Non-Executive Directors.*

- *Details of Membership/Chairmanship of Directors in Committees of Board during the FY 2018-19:*

Name of Director	Category*	Details of Committees			
		Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Committee of Directors
Mr. Sushil Kumar Roongta	NED	-	Member	-	-
Mr. Gurminder Singh Kang	ID	Chairman	Chairman	Chairman	-
Ms. Mala Todarwal	ID	Member	Member	Member	-
Mr. Mansoor Siddiqi	NED	Member	-	-	Member
Ms. Pooja Somani	NED	-	-	Member	Member
Mr. Ajay Kumar Dixit	WTD	-	-	-	Member

**NED – Non-Executive Director ID – Independent Director WTD – Whole-time Director*

Note:

a) None of the Directors of the Company were Members of more than 10 Committees or acted as Chairperson of more than 5 Committees, across all the companies in which he/she was a Director. For this, Stakeholder's Relationship Committee and Audit Committee shall be counted.

b) None of the Directors held Directorship in more than 10 public limited companies.

c) None of the Directors were related to any Director or Member of the Company.

d) None of the Independent Directors of the Company served as an Independent Director in more than 7 listed companies.

e) All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act). Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website: http://www.tsplindia.co/AppointmentofIndependentDirector.pdf.

- *Number of Shares or Convertible Instruments held by Non-Executive Directors:*

Name of Non-Executive Director	Number of Shares held during FY 2018-19	Number of Convertible Instruments held during FY 2018-19
Mr. Sushil Kumar Roongta	NIL	NIL
Mr. Mansoor Siddiqi		
Ms. Pooja Somani		

- *Selection/ Appointment Procedure:*

As per the Company's Nomination and Remuneration Policy, following steps are carried out for selection of new Board Members:

a) The Nomination and Remuneration Committee (NRC) takes into consideration the knowledge, professional & functional expertise and background, industry orientation, diverse academic, professional or technical qualification and more before recommending a new member to the Board for their approval for appointment;

b) In case of appointment of Independent Directors, the NRC additionally satisfies itself with regard to the independence of the Directors;

c) In case of re-appointment, performance evaluation and engagement level is considered by the NRC and recommended to the Board for approval.

- *Code of Business Conduct and Ethics:*

The Company has in place a comprehensive code of conduct (COC) applicable to all Board Members, Senior Management and other employees of the Company. The COC provides guidance and support required for conducting the business in an ethical manner.

- *Independence of Board:*

In compliance with the Section 149 (6) of the Companies Act, 2013, a declaration stating he/she meets the criteria of independence as provided under law has been received by the Independent Directors.

○ ***Separate Meeting of Independent Directors:***

During FY 2018-19, one meeting of Independent Directors of the Company was held without the attendance of Non-Independent Directors and management of the Company on 24th January, 2019 to discuss matters relating to performance of the Company, Committees of Board, Individual Directors, flow of information to the Board etc.

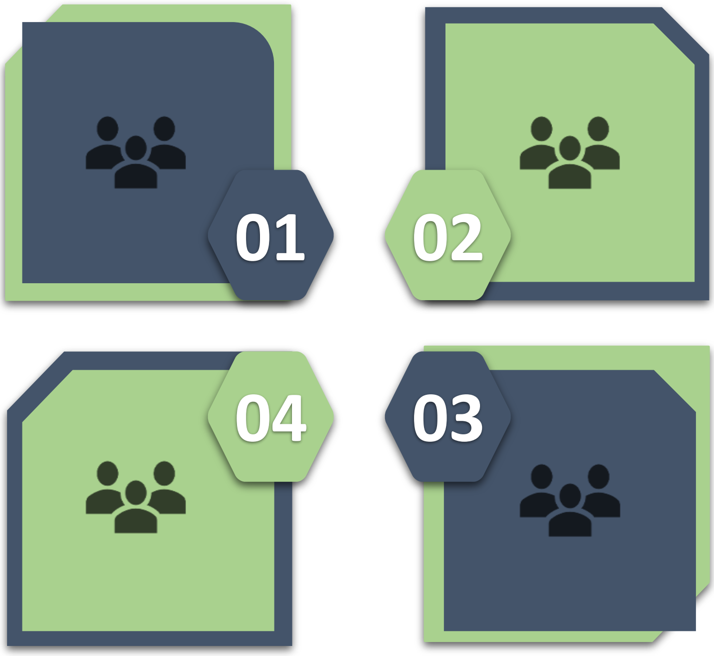
COMMITTEE OF BOARD OF DIRECTORS

The Committees of Board play a vital role in the overall governance structure of the Company. They are constituted to focus on specific and distinct areas or activities of the Company in making informed decisions.

The Committees are constituted with the approval of the Board and are guided by its charter defining the purpose, scope, responsibilities and authorities amongst others. The Chairman of the respective committees apprise the Board on the discussions and decisions taken in the Committee Meetings.

The proceedings of all Committee Meetings are circulated to all the members of the committee and minutes of the respective meetings of all the committees are placed before the Board for its review and noting.

As on date of report, Board of Directors of Company comprise of four (4) committees as provided below:



AUDIT COMMITTEE

- Mr. Gurminder Singh Kang
- Ms. Mala Todarwal
- Mr. Ajay Kapur

NOMINATION & REMUNERATION COMMITTEE

- Mr. Gurminder Singh Kang
- Ms. Mala Todarwal
- Mr. Sushil Kumar Roongta

COMMITTEE OF DIRECTORS

- Mr. Ajay Kapur
- Ms. Mala Todarwal
- Ms. Pooja Somani

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Gurminder Singh Kang
- Ms. Mala Todarwal
- Ms. Pooja Somani

Audit Committee

The Audit Committee is formed to assist the Board with its oversight responsibilities. Section 177 of the Companies Act, 2013 ('Act') states that the Audit Committee of the Company shall act in accordance with the Terms of Reference (TOR) as specified by the Board. In accordance with the above provisions of the Act, the Audit Committee will be responsible for the matters arising from terms of reference more particularly as stated in the Audit Charter, approved by the Board of Directors.

Terms of Reference:

- Recommendation for appointment and remuneration and term of appointment of Auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and auditor's report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny on inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds and related matters;
- To have discussions with the auditors periodically about internal control systems, the scope of audit including observations of the auditors;
- To issue certification under applicable laws and regulations applicable to the Company and / or its holding companies.

Talwandi Sabo Power Limited, being a listed Company under the Companies Act, 2013 and falling under the class of Companies as specified in Section 177 (9) of the Act and rules made thereunder, has established the Vigil Mechanism for Directors and Employees to report genuine concerns or grievances and shall provide for adequate safeguards against victimisation of persons who use such mechanism.

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Composition and Meetings of Audit Committee:

The composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013. As on 31st March, 2019, Audit Committee comprises of three Non-Executive Directors and Chairperson being the Non-Executive Independent Director. All the members of the Audit Committee are financially literate.

The CFO, COO, MAS team and Statutory Auditors are the permanent invitees to the Audit Committee Meetings and Company Secretary acts as the Secretary to the Committee.

During the financial year 2018-19, four (4) Audit Committee Meetings were held on 19th April, 2018, 21st July, 2018, 23rd October, 2018 and 24th January, 2019 respectively. The gap between any two consecutive meetings was not more than one hundred and twenty days (120 days).

- ***Attendance of Directors at the Audit Committee Meetings held during the FY 2018-19:***

Name of Director	Category	Meetings held during the FY 2018-19	
		Held	Attended
Mr. Gurminder Singh Kang	Independent Director	4	4
Ms. Mala Todarwal	Independent Director	4	4
Mr. Mansoor Siddiqi	Non-Executive Director	4	3

Nomination & Remuneration Committee:

The Nomination & Remuneration Committee of the Company is formed to establish the principles for the selection of candidates to the Board of Directors and formulate the criteria for determining qualifications, positive attributes and independence of the director and recommend to the Board their appointment and removal as well as of the persons in senior management along with the remuneration payable to them.

Terms of Reference:

- Assist the Board in identifying, interviewing and recruiting candidates including criteria for the independence evaluation of the Board of Directors;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the company.
- Review, atleast once a year, the independence of the members of the Board of Directors;
- Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations;
- Review the framework and processes for motivating and rewarding performance at all levels of the company and make appropriate proposals for Board approval;
- Recommending all forms of compensation to be granted to Directors, senior management and other employees of the company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- Regularly review and make recommendations about changes to the charter of the Nomination Committee

Composition and Meetings of Nomination & Remuneration Committee:

The composition of the Nomination & Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013. As on 31st March, 2019, Nomination & Remuneration Committee comprises of three Non-Executive Directors and Chairperson being an Independent Director.

The CFO, COO and other directors are the permanent invitees to the Nomination & Remuneration Committee Meetings and Company Secretary acts as the Secretary to the Committee.

During the financial year 2018-19, three (3) meetings of Nomination & Remuneration Committee were held on 19th April, 2018, 23rd October, 2018 and 24th January, 2019 respectively.

- ***Attendance of Directors at the Nomination & Remuneration Committee Meetings held during the FY 2018-19:***

Name of Director	Category	Meetings held during the FY 2018-19	
		Held	Attended
Mr. Gurminder Singh Kang	Independent Director	3	3
Ms. Mala Todarwal	Independent Director	3	3
Mr. Sushil Kumar Roongta	Non-Executive Director	3	3

- ***Performance Evaluation Criteria:***

In terms of the requirements of the Companies Act, 2013, the performance evaluation of the Board as a whole, its Committees and Individual Directors. The questionnaires focusing on the Composition of Board and its Committees, Experience and Competencies etc. were circulated to the Directors for their responses.

The results of the evaluation process were shared with the Nomination & Remuneration Committee and Board in their meeting held on 24th January, 2019.

- ***Remuneration Policy for Directors:***

Nomination & Remuneration Policy has been framed and adopted by the Nomination & Remuneration Committee for determining and recommending the remuneration of the Directors, KMPs and Senior Management to the Board.

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees. The appointment letter covering the terms and conditions of appointment of Independent Directors is available on the Company's website.

No stock options were issued to the Non-Executive Independent Directors of the Company during the financial year 2018-19.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee is formed to fulfil the social responsibility of the company that positively impacts the society at large in an ethical and environment friendly manner and ensures the company operates on a consistent and compliant basis.

Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in line with the provisions of Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred to in the Policy.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To institute transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Composition and Meetings of Corporate Social Responsibility Committee:

The composition of the Corporate Social Responsibility (CSR) Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013. As on 31st March, 2019, the CSR Committee comprises of three Non-Executive Directors and Chairperson being the Non-Executive Independent Director.

The CFO, COO and other directors are the permanent invitees to the Corporate Social Responsibility Committee Meetings and Company Secretary acts as the Secretary to the Committee.

During the financial year 2018-19, Two (2) Meetings of Corporate Social Responsibility Committee were held on 19th April, 2018 and 23rd October, 2018 respectively.

○ ***Attendance of Directors at Corporate Social Responsibility Committee Meetings held during the FY 2018-19:***

Name of Director	Category	Meetings held during the FY 2018-19	
		Held	Attended
Mr. Gurminder Singh Kang	Independent Director	2	2
Ms. Mala Todarwal	Independent Director	2	2
Ms. Pooja Somani	Non-Executive Director	2	2

Committee of Directors

The Committee of Directors is formed to cater to the day to day requirements and to facilitate seamless operations. The Committee comprises of one Whole-time Director and two Non-Executive Directors and meets as and when deem necessary to cater to the company's day to day requirements.

During the financial year 2018-19, the committee met once on 17th November, 2018.

GENERAL BODY MEETINGS:

○ ***Details of last three Annual General Meetings:***

Year	AGM	Day, Date & Time	Venue	Special Resolutions passed
2017-18	11th AGM	Friday , 22nd June, 2018, 11 AM	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	▪ Re-appointment of Mr. Chhavi Nath Singh as Manager of the Company ▪ To issue and allot secured, redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 2500 Cr
2016-17	10th AGM	Friday, 23rd June, 2017, 11:30 A.M.	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	▪ Appointment of Mr. Chhavi Nath Singh as Manager of the Company
2015-16	9th AGM	Wednesday, 22nd June, 2016, 2:30 P.M.	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	▪ Re-appointment of Mr. Chetan Shrivastav as Manager of the Company for a period of one year

○ ***Special Resolution by Postal Ballot:***

During the last financial year 2018-19, no special resolution has been passed through the exercise of postal ballot.

○ ***Details of Extra – Ordinary General Meeting held during the financial year 2018-19:***

During the financial year 2018-19, no extra-ordinary general meeting of shareholders was held.

DISCLOSURES:

- The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority.

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's website: http://www.tsplindia.co/whistleblower-policy.pdf.

Company affirms that no personnel have been denied access to the Chairman of the Audit Committee.

- The Company follows Accounting Standards laid down by The Institute of Chartered Accountants of India in the preparation of its financial statements.

- The Company follows all the mandatory requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company has complied with the mandatory requirement relating to Corporate Governance.

S. No.	Particulars	Section / Chapter	Compliance Status Yes / No / N. A.	Compliance observed
1.	Board of Directors	Chapter XI, XII, XIII	Yes	▪ Composition ▪ Meetings ▪ Review of Compliance Report ▪ Plans for orderly succession for appointments ▪ Duties of Directors ▪ Disclosure of Interest ▪ Fees to Non-Executive / Independent Directors ▪ Risk assessment and management ▪ Performance evaluation of Independent Directors ▪ Related Party Transactions
2.	Annual General Meeting	Sec. 96 - 121	Yes	▪ Notice alongwith Explanatory Statement ▪ Corporate Representative ▪ Transaction of Special Business and passing Special Resolution ▪ Recording of Minutes and Reporting of AGM ▪ Filing of Resolution & Agreements
3.	Audit Committee	Sec. 177	Yes	▪ Composition ▪ Meetings ▪ Powers of the Committee ▪ Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	Sec. 178	Yes	▪ Composition ▪ Chairperson ▪ Role of the Committee ▪ Performance Evaluation of Directors
5.	Corporate Social Responsibility Committee	Sec. 135	Yes	▪ Composition ▪ Chairperson ▪ Role of the Committee ▪ Approval and Reporting of CSR Budget and Activities
6.	Vigil Mechanism	Sec. 177	Yes	▪ Formulation of Vigil Mechanism ▪ Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	Sec. 188	Yes	▪ Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions ▪ Approval including omnibus approval of Audit Committee ▪ Review of Related Party Transactions ▪ There were no material Related Party Transactions
8.	Obligations with respect to Independent Directors	Sec. 149 & 165	Yes	▪ Maximum directorships and tenure ▪ Meetings of Independent Directors ▪ Familiarisation of Independent Directors
9.	Obligations with respect to Directors and KMPs	Chapter XI & XIII	Yes	▪ Disclosure & Declaration by Directors & KMPs respectively ▪ Memberships / Chairmanships in Committees ▪ Affirmation on compliance of Code of Conduct by Directors, KMPs and Senior Management
10.	Other Corporate Governance Requirements		Yes	▪ Filing of Forms & Returns ▪ Maintenance of Registers & Records ▪ Intimations to Investors

MEANS OF COMMUNICATION:

- ***Financial Results***: The quarterly and half – yearly financial results of the company are intimated to the recognized Stock Exchanges, Debenture holders and Debenture Trustees of the Company.
- ***Website:*** The Company's website https://www.tsplindia.co has a separate section of "Investor Relations" which enables the investors to be informed and allows them to access information as per their convenience.

GENERAL SHAREHOLDERS INFORMATION:

- ***Annual General Meeting for the financial year 2018-19:*** It is scheduled to be held on 28th June, 2019 at Village Banawala, Mansa-Talwandi Sabo Road, District Mansa, Punjab – 151302, India.
- ***Listing on Stock Exchange:*** The Company's Secured, Redeemable, Non-Convertible Debentures are listed on National Stock Exchange of India Limited (NSE), 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai – 400051.
- ***Registrars and Transfer Agents:***
Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31&32, Financial District, Nanakramguda, Hyderabad 500032, India
Tel: +91 40 6716 1700
Toll Free No.: 1800 425 8998
Fax: +91 40 2311 4087
Website: www.karvy.com
- ***Debenture Trustee:***
Vistra ITCL (India) Limited
The IL&FS Financial Center
Plot No. C-22, G Block, 7th Floor
Bandra Kurla Complex
Bandra (East), Mumbai – 400051
Tel: +91 22 26593535
Fax: +91 22 26533297

- ***Shareholding pattern as on March 31, 2019:***

S. No.	Name and address of Natural persons/ Directors/ Beneficiaries		Date of Allotment/ Date of registration of transfer of share*	Number of Shares held
1	Vedanta Limited	Date of Incorporation – 25th June, 1965	1st September, 2008	3,20,66,09,686
2	Mr. Ajay Kumar Dixit		25th April, 2017	1
3	Mr. C. N. Singh		25th April, 2017	1
4	Mr. Debabrat Mishra		25th April, 2017	1
5	Mr. G Sambasiva Rao		22nd January, 2018	1
6	Mr. Rohit Agarwal		23rd March, 2018	1
7	Mr. Vijay Ingole		24th January, 2019	1
Total				**3,20,66,09,692**

*Note: * From S. No. 2 to 7, shareholders are the Nominee Shareholders only, who do not hold any beneficial interest in these shares. Vedanta Limited holds 100 % shareholding of the Company.*

- ***Listing of Debt Securities: Following secured, redeemable Non-Convertible Debentures (NCDs) are listed on National Stock Exchange (NSE)***

S. No.	ISIN	Issuance Date	Maturity Date	Coupon Rate	No. of NCDs (face value of ₹ 10 lakh each)	Amount (₹ in Cr)
1	INE694L07081	01.12.2016	29.11.2019	8.20%	3,000	300
2	INE694L07099	03.03.2017	20.09.2019	7.75%	2,500	250
3	INE694L07107	04.08.2017	04.08.2020	7.85%	5,000	500
4	INE694L07115	23.04.2018	23.04.2021	8.55%	10,000	1,000
5	INE694L07123	30.07.2018	30.07.2021	9.23%	10,000	1,000
6	INE694L07131	30.11.2018	30.11.2020	9%	2,000	200

DECLARATION BY WHOLE-TIME DIRECTOR ON CODE OF BUSINESS CONDUCT AND ETHICS OF THE COMPANY

As the Whole-time Director of Talwandi Sabo Power Limited, I, **Ajay Kumar Dixit**, hereby declare that all the Members of Board and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the financial year 2018-19.

For Talwandi Sabo Power Limited

Ajay Kumar Dixit
Whole-time Director

Place: New Delhi
Date: 26th April, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Talwandi Sabo Power Limited

REPORT ON THE AUDIT OF IND AS FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, 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, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. 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
Revenue recognition and Recoverability of disputed receivables *(as described in notes 2.B(u), 22 and 40 of the financial statements)*	
As at March 31, 2019, receivables aggregating to ₹ 2,200.08 crore were outstanding on account of disputes with its sole customer, Punjab State Power Corporation Limited (PSPCL). In assessing the amount of revenue of ₹ 571.69 crore to be recorded and for assessing the recoverability of trade receivables, management exercised significant judgements to evaluate: • Complex calculation of power tariff agreements with PSPCL • The probable outcome of the litigation based on the status of the legal proceedings • Recoverability of the amount from PSPCL The judgements applied by management have a significant impact on the level of provision required for trade receivables.	Our procedures included the following: • Examined the underlying power purchase agreements; • Inspected the relevant state regulatory commission, appellate tribunal and Supreme Court rulings; • Inspected external legal opinions in respect of the merits of the case and critically assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion; • Examined management's assessment of recoverability of receivables; • Assessed the adequacy of the disclosures made by the Company in this regard .

Assessment of the useful lives of property, plant and equipment *(as described in note 3 of the financial statements)*	
The Company has reassessed the economic useful life of its property, plant and equipment and revised its estimate of the useful life of its thermal power plant from 40 years to 25 years. This has resulted in a higher depreciation charge of Rs 121.72 crore for the year ended March 31, 2019. In assessing the estimated useful lives of the said assets, management exercised significant judgements to evaluate: • The technical and economic useful lives of the assets; • The present and future market scenarios in the power segment.	Our procedures included the following: • Examined the report prepared by third party expert engaged by the Company for assessing the future economic life of its property, plant and equipment and held discussions with such experts. Further, we engaged industry experts to assess the contents of the report; • Assessed the competence and objectivity of such experts; • Verified the mathematical accuracy of the revised depreciation charge.

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.

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

(g) According to the information and explanations provided to us by the Company, no managerial remuneration has been paid / provided by the Company to its directors for the year ended March 31, 2019;

(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 30 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 Naman Agarwal
Partner
Membership Number: 502405

Place: New Delhi
Date: April 26, 2019

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

RE: Talwandi Sabo Power Limited ("the Company")

(i)
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
   (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. 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 Act. 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 Act are applicable. Accordingly provisions of clause 3(iv) of the Order are not applicable and hence not commented upon.

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

(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 Act, related to the generation of power, 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, income-tax, service tax,customs duty, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to employee state insurance, sales tax, value added tax and excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employee state insurance, sales tax, value added tax and excise duty are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (₹ in Cr)	Financial year to which it relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	0.91	Assessment year 2012-2013	Income tax Appellate Tribunal
Income tax Act, 1961	Income tax	0.68	Assessment year 2012-2013	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.65	Assessment year 2014-2015	Commissioner of Income Tax (Appeals)

*Includes ₹ 1.51 crore paid under protest.

(viii) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company does not have any loans or borrowings from the Government.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (including debentures) for the purposes for which they were raised, although they were invested in short term investments and fixed deposits for a temporary period.

The Company has not raised any money by way of initial public offer / further public offer.

(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 material fraud on the Company by the officers and employees of the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanation provided to us, the Company has not paid any managerial remuneration during the current year. Accordingly provisions of clause 3(xi) of the Order are not applicable to the Company and hence not commented upon.

(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 reviewand hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence 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 Naman Agarwal
Partner
Membership Number: 502405

Place: New Delhi
Date: April 26, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALWANDI SABO 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 Talwandi Sabo Power Limited ("the Company") as of March 31, 2019 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 under the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) ("COSO 2013"). 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013.

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

per Naman Agarwal
Partner
Membership Number: 502405

Place: New Delhi
Date: April 26, 2019

BALANCE SHEET
As at March 31, 2019

₹ in Cr

	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	9,941.96	10,340.23
	(b) Capital work-in-progress	3	9.02	8.05
	(c) Intangible assets	3	1.02	1.41
	(d) Financial assets			
	(i) Trade receivables	4	2,200.08	816.61
	(ii) Others financial assets	5	8.51	5.83
	(e) Other non-current assets	6	3.47	3.44
	Total non-current assets		**12,164.06**	**11,175.57**
2	**Current assets**			
	(a) Inventories	7	441.62	253.00
	(b) Financial Assets			
	(i) Trade receivables	8	337.82	1,439.81
	(ii) Cash and cash equivalents	9	262.18	23.41
	(iii) Other financial assets	10	114.52	73.89
	(c) Other current assets	11	42.10	69.27
	Total current assets		**1,198.24**	**1,859.38**
	Total Assets		**13,362.30**	**13,034.95**
II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Equity share capital	12	3,206.61	3,206.61
	(b) Other equity	13	(650.80)	(595.95)
	Total Equity		**2,555.81**	**2,610.66**
B	**LIABILITIES**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	5,898.83	4,676.31
	(ii) Other financial liabilities	15	-	10.98
	(b) Provisions	16	0.42	0.53
	(c) Deferred tax liabilities (net)	39	234.59	180.81
	Total non-current liabilities		**6,133.84**	**4,868.63**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17	1,792.28	2,525.79
	(ii) Trade payables	18		
	(a) Total outstanding dues of Micro Enterprises and Small Enterprises		3.00	2.84
	(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		389.44	323.71
	(iii) Other financial liabilities	19	2,481.81	2,699.63
	(b) Other current liabilities	20	5.26	3.63
	(c) Provisions	21	0.86	0.06
	Total current liabilities		**4,672.65**	**5,555.66**
	Total Liabilities		**10,806.49**	**10,424.29**
	Total Equity and Liabilities		**13,362.30**	**13,034.95**

See accompanying notes forming part of financial statements

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Naman Agarwal
Partner
Membership No.: 502405
Place: New Delhi
Date: April 26, 2019

For and on behalf of Board of Directors

S. K. Roongta
Chairman
DIN: 00309302

Ajay Kumar Dixit
Whole Time Director
DIN: 03086605

Rohit Agarwal
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2019

₹ in Cr

	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	22	5,235.60	4,171.76
II	Other Operating Income	23	49.13	30.65
III	Other Income	24	1.68	4.32
IV	**Total Income (I+II+III)**		**5,286.41**	**4,206.73**
V	**Expenses:**			
	Power and fuel charges		3,699.43	2,760.25
	Employee benefits expense	25	25.71	34.13
	Finance costs	26	835.86	741.25
	Depreciation and amortisation expense	27	454.50	327.93
	Other expenses	28	271.71	256.20
	Total expenses		**5,287.21**	**4,119.76**
VI	**Profit/(loss) before tax (IV-V)**		**(0.80)**	**86.97**
VII	**Tax expense/(benefit):**	39		
	Deferred tax		53.78	180.81
	Net Tax expense/(benefit):		**53.78**	**180.81**
VIII	**Net Profit/(Loss) for the year (VI-VII)**		**(54.58)**	**(93.84)**
IX	**Other Comprehensive Income/(Loss) (net of taxes)**			
	(i) Items that will not be reclassified to profit or loss – Re-measurement gain/(loss) on defined benefit obligations		(0.27)	0.18
X	**Total Comprehensive Income/(Loss) for the period (VIII+IX)**		**(54.85)**	**(93.66)**
XI	**Earnings/(Loss) per equity share (in ₹):**	32		
	(1) Basic		(0.17)	(0.29)
	(2) Diluted		(0.17)	(0.29)

See accompanying notes forming part of the financial statements

In terms of our report attached
For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Naman Agarwal
Partner
Membership No.: 502405

Place: New Delhi
Date: April 26, 2019

For and on behalf of Board of Directors

S.K. Roongta
Chairman
DIN: 00309302

Ajay Kumar Dixit
Whole Time Director
DIN: 03086605

Rohit Agarwal
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

CASH FLOW STATEMENT
for the year ended March 31, 2019

₹ in Cr

SL. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flows from operating activities**		
	Net Profit/(Loss) before tax	(0.80)	86.97
	Adjusted for :		
	Unrealised exchange loss	28.72	3.85
	Depreciation and amortisation expense	454.50	327.93
	Interest Expenses	835.86	741.25
	Other Income	(1.68)	(4.32)
	Loss on sale of property, plant and equipment	(0.03)	1.41
	Marked to market (gain)/loss on derivatives	-	(12.99)
	Operating profit before working capital changes	**1,316.57**	**1,144.10**
	Adjustments for change in assets and liabilities		
	(Increase) /Decrease in inventories	(188.62)	43.17
	Increase in trade receivables	(281.48)	(1,264.55)
	Increase in other financial and other assets	(15.05)	(35.11)
	Increase/ (Decrease) in payables and provisions	95.17	186.78
	Cash generation /(used) in operations	**926.59**	**74.39**
	Income taxes paid	(0.51)	(0.21)
	Net cash from / (used in) operating activities (i)	**926.08**	**74.18**
B	**Cash flows from investing activities**		
	Purchases of property, plant and equipment (including intangibles)	(12.32)	(109.16)
	Proceeds from maturity/redemption of short term deposits	-	57.02
	Purchases of short term deposits	-	(57.00)
	Purchase of short term Investment (Mutual Funds)	(1,174.10)	(3,399.20)
	Proceeds from Sale of short term Investments (Mutual Funds)	1,174.28	3,543.23
	Dividends & Interest received	1.50	4.33
	Net cash from / (used in) investing activities (ii)	**(10.64)**	**39.22**

CASH FLOW STATEMENT (Contd.)
for the year ended March 31, 2019

₹ in Cr

SL. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C	**Cash flows from financing activities**		
	Proceeds from Long term borrowing	2,800.00	1,098.66
	Repayment of Long term borrowing	(2,073.30)	(1352.30)
	Proceeds from Short term borrowing	7,371.61	8,643.83
	Repayment of Short term borrowing	(8,103.34)	(7,963.30)
	Interest paid	(671.64)	(564.00)
	Net cash from / (used in) operating activities (iii)	**(676.67)**	**(137.11)**
	Net (decrease)/ increase in cash and cash equivalents (i+ii+iii)	**238.77**	**(23.71)**
	Cash and Cash equivalents at beginning of the year	**23.41**	**47.12**
	Cash and Cash equivalents at close of the year (Refer Note 9 to the financial statements)	**262.18**	**23.41**

Notes:

(i) The figures in bracket indicates outflows.

(ii) The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

See accompanying notes forming part of the financial statements

In terms of our report attached
For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Naman Agarwal
Partner
Membership No.: 502405

Place: New Delhi
Date: April 26, 2019

For and on behalf of Board of Directors

S.K. Roongta
Chairman
DIN: 00309302

Ajay Kumar Dixit
Whole Time Director
DIN: 03086605

Rohit Agarwal
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2019

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Cr)
As at April 1, 2017, March 31, 2018 and March 31, 2019	320,66,09,692	3,206.61

Note: There has been no change in the equity share capital either during the current year or previous year.

b. Other equity

₹ in Cr

Particulars	Reserves and Surplus		Total
	Retained earnings	Debenture Redemption Reserve	
Balance as at March 31, 2017	**(528.32)**	**26.03**	**(502.29)**
Loss for the year	(93.84)	-	(93.84)
Other comprehensive income/ (loss)	0.18	-	0.18
Balance as at March 31, 2018	**(621.98)**	**26.03**	**(595.95)**
Loss for the year	(54.58)	-	(54.58)
Other comprehensive income/ (loss)	(0.27)	-	(0.27)
Balance as at March 31, 2019	**(676.83)**	**26.03**	**(650.80)**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Naman Agarwal
Partner
Membership No.: 502405

Place: New Delhi
Date: April 26, 2019

For and on behalf of Board of Directors

S.K. Roongta
Chairman
DIN: 00309302

Ajay Kumar Dixit
Whole Time Director
DIN: 03086605

Rohit Agarwal
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

NOTES

Forming part of the financial statements as at and for the year ended March 31, 2019

1. Company Overview

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company") was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (herein after referred as "PSPCL") [formerly known as Punjab State Electricity Board (PSEB)] to construct a 3*660 Mega Watt coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Vedanta Limited (herein after referred as "VL") [formerly known as Sesa Sterlite Limited (SSL)] pursuant to the selection of VL as the successful bidder after going through a tariff based International Competitive Bidding (ICB) process. The Share Purchase Agreement (SPA), Power Purchase Agreement (herein after referred as "PPA") for sale of power from the Plant to PSPCL for a period of twenty five years and other necessary documents were signed between VL, TSPL and PSPCL on September 01, 2008. The address of its registered office and principal place of business is in village Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302.

The standalone financial statements were approved for issuance by the Board of Directors on April 26, 2019.

2. Basis of Preparation and Significant Accounting Policies

2.A. Basis of Preparation

a) Basis of Preparation and Compliance with Ind AS

These financial statements 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 other relevant provisions of the Companies Act, 2013 (the Act).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Going Concern

The standalone financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and liabilities which are measured at fair value/amortised cost {Refer note 2.B.(g)}.

The Ministry of Environment, Forest and Climate Change (MOEF&CC) has notified new Environmental norms as per Environment (Protection) Amendment Rules 2015 with the primary aim of minimizing pollution in Thermal Power plants. Accordingly, the Company is supposed to install Flue Gas Desulphurization (FGD) units for reducing pollution for which initial deadline set out by Central Electricity Authority was 2021-22. This deadline was modified and preponed by Central Pollution Control Board (CPCB) to December 31, 2019.

The Company has approached CPCB and Ministry of Power (MOP) to modify the date of FGD installation till December 2022 and is hopeful of obtaining such an extension . In addition to this, the Company has also initiated a petition for regulatory approvals for change in law under power purchase agreement with PSPCL which is currently pending with Appellate Tribunal for Electricity (APTEL). In the unlikely event of the Company's request for extension of the timeline not being accepted and its operations getting suspended, recourse to force majeure proceedings will be available to TSPL. In the light of above, Vedanta Limited, the Company's parent entity, has provided a letter assuring the Company of requisite financial support to enable it to meet its financial obligation. Accordingly, these financial statements have been prepared on a going concern basis

c) Standards issued but not yet effective

The Guidance note and amendment to standards issued, but not yet effective up to the date of issuance of the Company's Financial Statements are disclosed below. The Company intends to adopt these when it becomes effective.

(i) Ind AS 116 - Lease

Ind AS 116, Leases, replaces the existing standard on accounting for leases, Ind AS 17. The Company will adopt Ind AS 116 from 1 April 2019 under the modified retrospective approach, and accordingly the comparative figures will not be restated. For contracts in place at this date, the Company will continue to apply its existing definition of leases under current accounting standards ("grandfathering"), instead of reassessing whether existing contracts are or contain a lease at the date of application of the new standard.

This standard introduces a single lessee accounting model and requires a lessee to recognize a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases with the exception of short-term (under 12 months) and low-value leases. Lease costs will be recognized in the income statement over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability. In contrast, the accounting requirements for lessors remain largely unchanged.

The Standard, in addition to increasing the Company's recognized assets and liabilities, impacts the classification and timing of expenses and consequently the classification between cash flow from operating activities and cash flow from financing activities. Many commonly used financial ratios and performance metrics, using existing definitions, will also be impacted including net debt, gearing, EBITDA, unit costs and operating cash flows. However, implementation of Ind AS 116 is not expected to have a material effect on the Company's Financial Statements.

Balance Sheet: For leases that have been classified to date as operating leases in accordance with Ind AS 17, the lease liability will be recognized at the present value of the remaining lease payments, discounted using the incremental borrowing rate as on 1 April 2019. The right-of-use asset will generally be measured at the amount of the lease liability adjusted for advance payments and accrued liabilities from the previous financial year. The analysis conducted as part of the Company wide project on initial application indicated the probable recognition of lease liabilities and ROU asset in the balance sheet as at 1 April 2019 amounting to ₹ 9.89 crore.

Income Statement: Adoption of Ind AS 116 will improve the profit from operating activities (EBITDA). Based on the Company's leases as at 1 April 2019, EBITDA is expected to increase by around ₹ 3.79 crore in 2019-20. However, the effect on profit before tax (PBT) is not expected to be material.

Cash Flow Statement: The change in presentation of operating lease expenses will result in a corresponding improvement in cash flows from operating activities and a decline in cash flows from financing activities.

Information on the undiscounted amount of the Company's operating lease commitments under Ind AS 17 'Leases', the current leasing standard, is disclosed in note 43 'Operating Lease Commitments'.

(ii) Amendments to Standards

The following amendments are applicable to the Company from April 1, 2019. The impacts of these are currently expected to be immaterial:

Reference	Name/ Brief
Annual Improvements to Ind AS (2018)	The amendments comprise of changes in Ind AS 103, Ind AS 111 and Ind AS 12
Ind AS 19	Employee benefits – Plan Amendment, Curtailment or Settlement
Ind AS 28	Investments in Associates and Joint Ventures – Long term Interests in Associates and Joint Ventures
Ind AS 109	Financial Instruments – Prepayment features with Negative Compensation
Ind AS 12	Income taxes – Uncertainty over Income tax treatments

2.B. Significant Accounting Policies

The company has applied the following accounting policies to all periods presented in the financial statements.

a) Functional and Presentation Currency

The Financial Statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in Indian Rupee has been rounded to the nearest Crore with two decimals.

b) Revenue Recognition

The Company has adopted Ind AS 115 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company financial statements and no transitional adjustment is recognised in retained earnings at April 1, 2018, though there would be additional disclosure requirements for the company to comply with.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreement with its sole customer. Revenues from sale of by-products are included in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Lease Income

Lease income from operating leases (excluding amount for services on maintenance, etc. and contingent rentals) where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and another systematic basis is more representative of the time pattern in which user's benefit derived from the leased asset is diminished. Contingent rent is recognized in the period when earned. The respective leased assets are included in the balance sheet according to the nature of the asset.

Interest Income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the

financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividend income is recognized in the income statement only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

c) Property, Plant and Equipment

i. Property, Plant and Equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spare parts are capitalised when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent costs and disposal:

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/other expenses in Statement of Profit and Loss.

ii. Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. All costs attributable to construction of project or incurred in relation to the project under construction, net of incidental income during the construction/pre-production period, are aggregated under

'Expenditure during Construction Period' to be allocated to individual identified assets on completion. At the point when an asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

iii. Depreciation

Assets in the course of development or construction and freehold land are not depreciated. Property plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line method over its expected useful life.

The estimated useful lives of assets are as follows:

Buildings	3-25	years
Roads	5-10	years
Plant and machinery	5-25	years
Fixtures and fixtures	10	years
Vehicles	8	years
Railway siding	15	years
Office equipment	5	years
Computers and data processing units	3-6	years
Laboratory equipment	10	years

During the year, the Company revised the useful life of its property, plant and equipments from 40 years to 25 years w.e.f. 1st April, 2018. (Refer note 3)

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

d) Intangible Assets

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

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life of software of 3-6 years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

e) Lease

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lease arrangements including both land and building have been separately evaluated for finance or operating lease at the date of transition to Ind AS basis the facts and circumstances existing as at that date.

At inception or on reassessment of an arrangement that contains lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

Company as a lessee

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

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

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

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor

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

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

f) Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period, or
d. 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:
a. Expected to be settled in normal operating cycle
b. Held primarily for the purpose of trading
c. Due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

g) 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 – recognition

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Debt instruments at amortised cost

A 'Debt instrument' 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

(ii) Debt instruments at fair value through other comprehensive income (FVOCI)

A 'Debt instrument' is classified as FVOCI 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.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instruments at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Financial assets – derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables;
- Financial assets that are debt instruments and are measured as at FVTOCI;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income or expense in the Statement of Profit and Loss under the head 'Other Expenses'.

The balance sheet presentation for financial instruments is described below:

- **Financial assets measured at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- **Debt instruments measured at FVOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- 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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Liabilities- Derecognition

A financial liability is derecognized 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 are recognized in the statement of profit and loss.

Equity Instruments

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

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 recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Derivative financial Instruments

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange risks, the Company enters into forward contracts for hedging of exposures of foreign currencies borrowings and capital vendors. The Company does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

i) Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short-term investments is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying asset is suspended.

All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options.

j) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment tests are carried out annually for all assets when there is an indication of impairment. The Company conducts an internal review of asset values annually, which is used as a source of information to assess any indications of impairment or reversal of previously recognized impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognized impairment losses.

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use. Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

An impairment loss is recognized in the Statement of Profit and Loss. Any reversal of the previously recognized impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

k) Inventories

Inventories comprising fuel, stores and spares, consumables, supplies and loose tools are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges and is determined on a weighted average basis.

Net realisable value is determined based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Taxation

Tax expense represents the sum of current tax and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss;

- deferred income tax is not recognized on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognized only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in other comprehensive income or equity).

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

m) Retirement benefit schemes

The Company operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit pension schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately for each plan using the projected unit credit method by independent qualified actuaries as at the year end.

Re-measurements including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognized in full in other comprehensive income and are not recycled to the profit or loss. For defined contribution schemes, the amount charged to the Statement of Profit and Loss in respect of provident fund, pension costs and other post-retirement benefits are the contributions payable in the year, recognized as and when the employee renders related services and the Company has no further obligations other than the contributions made

Past service costs are recognized in statement of profit or loss in the earlier of:

- The date of the planned amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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.

n) Provision for liabilities and charges, contingent liabilities and contingent assets

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a

finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

o) Foreign Currency Translation

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. The functional currency is the local currency of the country in which it operates which is Indian Rupee (₹).

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

The Company had applied paragraph 46A of AS 11 as prescribed under the accounting standards notified pursuant to section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014.On transition to Ind AS, the Company had elected the option, whereby a first time adopter could continue its accounting policy for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary liabilities recognized upto March 31, 2016 which were obtained for acquisition of property, plant and equipment, have been adjusted to the cost of PPE.

Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

The insertion of Appendix B of Ind AS 21 provides clarification on recording foreign currency transactions when consideration is paid or received in advance. The Appendix B would apply when a Company:

- Pays or receives consideration denominated or priced in a foreign currency, and
- Recognizes a non-monetary prepayment asset or deferred income liability.

The date of the transaction for the purpose of determining the exchange rate to use on initial Ind AS 21 recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

p) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

q) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) for the year before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past and future cash receipts of payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash at bank and in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s) Segment Reporting

The Company operates only in one segment namely power generation and there are no reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker i.e. Board of Directors.

t) Share based payments

The Company does not have any outstanding share based payments. Vedanta Limited ("VL"), the immediate holding company and Vedanta Resources Limited ("VRL"), the intermediate holding company, offers certain share based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company and its subsidiaries. VRL recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the respective group companies, which is charged to the statement of profit and loss.

u) Use of estimates

The preparation of financial statement in conformity with Ind AS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

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 and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes:

Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Critical estimates:

- Useful lives of property, plant and equipment

Useful lives of depreciable/ amortisable assets (tangible and intangible) - Management reviews its estimate of the useful lives and consumption pattern of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. The reassessment may lead to a change in depreciation and amortisation charge. Accordingly, the Company has revised the useful life of its property, plant and equipments from 40 years to 25 years. (refer note 3(ii)).

Critical judgements:

- Determining whether an arrangement contains a lease and fixed rentals therein

Significant judgement is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement meets the criteria under Appendix C to Ind AS 17.

The Company has ascertained that the Power Purchase Agreement (PPA) entered into between the Company and Punjab State Power Corporation Limited (PSPCL) qualify to be an operating lease under Ind AS 17 Leases. Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges have been recognized as operating lease rentals and in respect of energy charges is considered as revenue from sale of products.

The Company has assessed the nature of operating lease payments received as a lessor. Management has assessed that the entire lease payments as disclosed in note 29 (ii) are contingent in nature as the payments are based on the number of units of electricity made available by the Company. This is subject to variation on account of various factors like availability of coal, water, etc. of the plant.

- Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to confirm their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. The liabilities which are assessed as possible and hence are not recognized in these financial statements are disclosed in note 30.

- Revenue Recognition of disputed dues:

The Company has evaluated the provisions of Ind-AS 115, which states that revenue should be recorded If is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in note 40 as highly probable due to the following reasons:

- The Company has favorable legal opinions from senior advocates.
- Favourable judgement in one of the related matters.
- PSPCL, being a government owned company, credit risk is low.

Note3 – Property, Plant and Equipment

₹ in Cr

Particulars	Gross Block					Accumulated Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2018	Additions	Disposal/ Adjustments	Foreign Exchange Difference	Balance as at March 31, 2019	Balance as at April 1, 2018	Depreciation Charge	Deductions	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
a) Tangible Assets											
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60	390.60
	(390.60)	**(-)**	**(-)**	**(-)**	**(390.60)**	**(-)**	**(-)**	**(-)**	**(-)**	**(390.60)**	**(390.60)**
Buildings	245.65	13.13	-	-	258.78	52.97	12.59	-	65.66	193.22	192.68
	(241.70)	**(3.95)**	**(-)**	**(-)**	**(245.65)**	**(41.99)**	**(10.98)**	**(-)**	**(52.97)**	**(192.68)**	**(199.71)**
Plant and Machinery	10,736.77	12.11	-	28.43	10,777.31	1,318.24	414.90	-	1,733.14	9,044.17	9,418.53
	(10,683.14)	**(9.67)**	**(1.64)**	**(45.60)**	**(10,736.77)**	**(1,028.17)**	**(290.24)**	**(0.17)**	**(1,318.24)**	**(9,418.53)**	**(9,654.97)**
Furniture and Fittings	1.97	0.85	0.02	-	2.80	1.03	0.17	0.01	1.19	1.61	0.94
	(1.97)	**(0.01)**	**(0.01)**	**(-)**	**(1.97)**	**(0.90)**	**(0.14)**	**(0.01)**	**(1.03)**	**(0.94)**	**(1.07)**
Motor Vehicles	0.35	0.05	0.08	-	0.32	0.11	0.04	0.04	0.11	0.21	0.24
	(0.27)	**(0.12)**	**(0.04)**	**(-)**	**(0.35)**	**(0.11)**	**(0.02)**	**(0.02)**	**(0.11)**	**(0.24)**	**(0.16)**
Railway Siding and Locomotives	419.14	-	-	-	419.14	95.46	23.82	-	119.28	299.86	323.68
	(419.14)	**(-)**	**(-)**	**(-)**	**(419.14)**	**(71.63)**	**(23.83)**	**(-)**	**(95.46)**	**(323.68)**	**(347.51)**
Office and Equipment	5.25	0.53	-	-	5.78	3.22	0.60	-	3.82	1.96	2.03
	(3.42)	**(1.83)**	**(-)**	**(-)**	**(5.25)**	**(2.84)**	**(0.38)**	**(-)**	**(3.22)**	**(2.03)**	**(0.58)**

₹ in Cr

Particulars	Gross Block					Accumulated Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2018	Additions	Disposal/ Adjustments	Foreign Exchange Difference	Balance as at March 31, 2019	Balance as at April 1, 2018	Depreciation Charge	Deductions	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Computers and Data Processing	2.91	0.47	-	-	3.38	1.95	0.30	-	2.25	1.13	0.96
	(2.69)	**(0.22)**	**(-)**	**(-)**	**(2.91)**	**(1.66)**	**(0.29)**	**(-)**	**(1.95)**	**(0.96)**	**(1.03)**
Laboratory Equipment	17.74	-	-	-	17.74	7.17	1.37	-	8.54	9.20	10.57
	(17.42)	**(0.32)**	**(-)**	**(-)**	**(17.74)**	**(5.82)**	**(1.35)**	**(-)**	**(7.17)**	**(10.57)**	**(11.60)**
Total	**11,820.38**	**27.14**	**0.10**	**28.43**	**11,875.85**	**1,480.15**	**453.79**	**0.05**	**1,933.89**	**9,941.96**	**10,340.23**
	(11,760.35)	**(16.12)**	**(1.69)**	**(45.60)**	**(11,820.38)**	**(1,153.12)**	**(327.23)**	**(0.20)**	**(1,480.15)**	**(10,340.23)**	**(10,607.23)**
								b) Capital work in progress		9.02	8.05
								Total		**9,950.98**	**10,348.28**
c) Intangible Assets											
Computer software	2.83	0.31	-	-	3.14	1.41	0.71	-	2.12	1.02	1.41
	(2.83)	**(-)**	**(-)**	**(-)**	**(2.83)**	**(0.71)**	**(0.70)**	**(-)**	**(1.41)**	**(1.41)**	**(2.12)**
Total	**2.83**	**0.31**	**-**	**-**	**3.14**	**1.41**	**0.71**	**-**	**2.12**	**1.02**	**1.41**
	(2.83)	**(-)**	**(-)**	**(-)**	**(2.83)**	**(0.71)**	**(0.70)**	**(-)**	**(1.41)**	**(1.41)**	**(2.12)**

Notes:

(i) Figures in brackets represent previous year's amounts.

(ii) The Company commissioned a study pursuant to which the economic useful life of its property, plant and equipments has been reassessed from 40 years to 25 years (being the term of Power Purchase Agreement) w.e.f. April 1, 2018. This has resulted in a higher depreciation charge for the year of ₹ 121.72 Crore and a lower loss after tax of ₹ 6.03 Crore.

(iii) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 14 on "Borrowings".

Note 4 – Trade Receivables – Non-Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good – Unsecured (Also refer Note 40)	2,200.08	816.61
Total	**2,200.08**	**816.61**

Note 5 – Other financial assets – Non-Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits (Unsecured, considered good)	8.51	5.83
Total	**8.51**	**5.83**

Note 6 – Other non-current assets ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured considered good		
Prepaid Expenses	1.44	1.92
Advance Income tax (net of provisions)	2.03	1.52
Total	**3.47**	**3.44**

Note 7 – Inventories ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Fuel Stock	302.35	88.34
Goods in transit	54.83	88.56
Stores and Spares	84.44	75.81
Goods in transit	-	0.29
Total	**441.62**	**253.00**

Note: for method of valuation of inventories, refer note 2.B(K)

Note 8 – Trade Receivables – Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good - Unsecured	337.82	1,439.81
Total	**337.82**	**1,439.81**

Note:

(i) The company offers a credit period of 0-30 days to its customers

(ii) Also refer Note 40

Note 9 – Cash and Cash Equivalents ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current account	262.18	23.41
Total	**262.18**	**23.41**

Note 10 – Other financial assets – Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Derivative asset	-	0.61
Advance to related parties	0.26	0.17
Unbilled revenue	110.57	69.43
Claims and other receivables	3.69	3.68
Total	**114.52**	**73.89**

Note 11 – Other current assets ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to Suppliers	34.70	51.79
Prepaid expenses	6.78	17.47
Balance with Central excise and government authorities	0.62	0.01
Total	**42.10**	**69.27**

Note 12 – Equity Share Capital

Particulars	March 31, 2019		March 31, 2018	
	Number of Shares	Amount (₹ in Cr)	Number of Shares	Amount (₹ in Cr)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Total	**320,66,09,692**	**3,206.61**	**320,66,09,692**	**3,206.61**

i. Reconciliation of the number of shares and the amount outstanding as at beginning and at the end of the reporting year:

Particulars	Equity Shares as at March 31, 2019		Equity Shares as at March 31, 2018	
	Number of Shares	Amount (₹ in Cr)	Number of Shares	Amount (₹ in Cr)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**320,66,09,692**	**3,206.61**	**320,66,09,692**	**3,206.61**

ii. Details of shares held by the Holding Company, the ultimate holding company, their subsidiaries and associates:

320,66,09,692 (Previous Year: 320,66,09,692) Equity Shares i.e. 100% of the equity shares are held by the Holding Company, Vedanta Limited and its nominees.

iii. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	100

Other disclosures:

iv. The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note 13 – Other Equity
(Refer Statement of changes in equity)

a. **Debenture redemption reserve:** Section 71(4) of the Companies Act, 2013, require companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. In the absence of profits, the Company has not created the said reserve during the year.

Note 14 – Non-current financial liabilities – Borrowings

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Secured: At amortised cost		
(a) Redeemable Non-Convertible Debentures (Refer note (iii) below)	3,249.29	2,049.84
(b) Term Loan (Refer note (iv) below)		
(i) From banks:		
Indian currency loans	3,137.54	3,565.25
Foreign currency loans	297.64	297.65
(ii) From other than banks (Indian currency loan)	187.88	212.48
Less: Current maturities of long-term borrowings (Refer note19)	(973.52)	(1448.91)
Total	**5,898.83**	**4,676.31**

Note:

(i) The company has not defaulted in the repayment of loans and interest as at balance sheet date

(ii) Bank loans availed by the company are subject to certain covenants relating to debt service coverage ratio, total outside liabilities to total net worth and fixed assets coverage ratio. The company has complied with the covenants as per the terms of the loan agreement.

(iii) Summary of Redeemable non-convertible debentures (NCDs) (Carrying Value):

₹ in Cr

Particulars	Issued on	Security	As at March 31, 2019	As at March 31, 2018
9.27% due July 2021	July 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	999.29	-
8.55% due April 2021	April 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,000.00	-
9.00% due November 2020*	November 2018	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	200.00	-
7.85% due August 2020	August 2017	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	500.00	500.00
8.20% due November 2019	December 2016	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	300.00	300.00
7.75% due September 2019	March 2017	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	250.00	250.00
9.13% due April 2018**	March 2015	Secured by first pari passu charge on movable and/or immovable fixed assets of the Company with a minimum asset cover of 1.1 times during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	324.95
9.13% due April 2018**	April 2015		-	674.89
Total			**3,249.29**	**2,049.84**

*The debenture holders of these NCDs and the company have put and call option which can be exercised on November 29, 2019 by any of the parties by giving 30 days notice to the other party

**Interest rate is based on effective interest rate and the entire amount of debentures are repayable in a single bullet payment on each of the date mentioned.

(iv) Summary of Term Loan (Carrying Value):

₹ in Cr

Particulars	Issued on	Security	As at March 31, 2019	As at March 31, 2018
a) From Banks: **Indian Currency Loans**				
Kotak Mahindra Bank	September 2014	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	138.64	156.80
State Bank of India	December 2015	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,876.60	1,996.21
Yes Bank Limited	July 2016	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	247.64	1,112.59
Syndicate Bank	September 2017	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	281.69	299.65
ICICI Bank Limited	March 2019	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited	592.97	-
Total			**3,137.54**	**3,565.25**
Foreign Currency Loans				
ICICI Bank Limited	September 2017	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited	297.64	297.65
Total			**297.64**	**297.65**
b) From other than banks:				
Aditya Birla Finance Limited (partial loan downsold by Kotak Mahindra Bank with same interest and terms and conditions)	December 2016	Secured by first pari passu charge on fixed assets of the Company both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	187.88	212.48
Total			**187.88**	**212.48**
Total Term Loan			**3,623.06**	**4,075.38**

Repayment terms of Term Loan outstanding as on March 31, 2019:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 Year	1-3 Years	3-5 Years	>5 Years	Remarks
Indian Rupee Term Loan	9.79%	3,325.42	205.00	691.00	474.00	1,969.00	Repayable in 152 quarterly instalments, 2 half yearly instalments and 2 bullet payments

Foreign Currency Term Loan	8.51%	297.64	18.52	42.94	33.00	204.00	Repayable in 44 quarterly instalments
Total		**3,623.06**	**223.52**	**733.94**	**507.00**	**2,173.00**	

Note: The above maturity is based on the total principal outstanding gross of issuance expense

(v) Movement of borrowing during the year: ₹ in Cr

Particulars	Borrowings due within one year	Borrowings due after one year	Total
As at March 31, 2017	**2,991.67**	**5,019.95**	**8,011.62**
Cash Flow	680.53	(253.64)	**426.89**
Other non cash changes	302.49	(89.99)	**212.50**
As at March 31, 2018	**3,974.69**	**4,676.32**	**8,651.01**
Cash Flow	(731.74)	1,194.12	**462.38**
Other non cash changes	(477.16)	28.40	**(448.76)**
As at March 31, 2019	**2,765.79**	**5,898.84**	**8,664.63**

Other non-cash changes comprises of amortization of borrowing costs, foreign exchange differences on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

Note 15 – Other financial liabilities – Non-Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Derivative Liability	-	10.98
Total	**-**	**10.98**

Note: Also refer Note 36

Note 16 – Provisions – Non-Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
(a) Provision for gratuity	0.42	0.06
(b) Provision for compensated absences	-	0.47
Total	**0.42**	**0.53**

Note 17 – Borrowings – Current ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Secured		
Loan from Banks (refer note(i) below)		
- Short term loan	-	40.56
- Factoring of Trade Receivables	280.00	548.00
Unsecured		
Commercial Paper (refer note(ii) below)	1,512.28	1,937.23
Total	**1,792.28**	**2,525.79**

Summary of current borrowing arrangements:

(i) Loan from Banks

The company meets its working capital requirement through loans from banks. These loans are secured by a first pari passu charge on all present and future inventories, book debts and all other current assets of the company, with interest rate presently at 9.80%.

(ii) Commercial Papers

The company has issued commercial papers to various mutual funds, which is backed by unconditional and irrevocable corporate guarantee from Vedanta Limited. These commercial papers bear an average rate of interest of 7.72% p.a. (previous year 7.47% p.a.) and would mature within 3 months of issuance.

Note 18 – Trade Payables ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Operational Buyers Credit	-	131.00
Trade Payables		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	3.00	2.84
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	389.44	192.71
Total	**392.44**	**326.55**

Note:

(i) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

(ii) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.00	2.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid as at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 19 – Other financial liabilities – Current

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings (refer note 14)	973.52	1,448.91
Interest accrued but not due on borrowings	189.69	63.30
Other Payables		
Derivative liabilities	39.89	18.90
Project Creditors	1,221.85	1,141.73
Retention Money	15.74	20.32
Due to related parties	37.70	4.35
Earnest money deposit	3.39	2.09
Other Liabilities	0.03	0.03
Total	**2,481.81**	**2,699.63**

Note 20 – Other current liabilities

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers	0.79	0.79
Other Payables:		
Statutory liabilities	4.43	2.84
Other Liabilities	0.04	-
Total	**5.26**	**3.63**

Note 21 – Provisions – Current

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	0.86	0.06
Total	**0.86**	**0.06**

Note 22 – Revenue from operations

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Energy Sales(Refer note below)	5,235.60	4,171.76
Gross Revenue from operations	**5,235.60**	**4,171.76**

Includes contingent rentals of ₹ 1,672.43 Crore (previous year ₹ 1,555.64 Crore). The balance revenue of ₹ 3,563.17 Crore related to sale of power is from contract with customers and is recorded at a point in time. Also refer note 40

Note 23 – Other Operating Revenue

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Scrap Sales	20.89	5.85
Sale of fly ash (including excise duty)	22.62	21.16
Miscellaneous income	5.62	3.64
Total	**49.13**	**30.65**

Note 24 – Other income

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Interest income from financial assets at amortised cost		
- Bank Deposits	-	1.91
- Others	0.30	-
Dividend income from investments in measured at FVTPL	0.18	1.91
Interest on outstanding income tax refunds	0.02	-
Miscellaneous income	1.18	0.50
Total	**1.68**	**4.32**

Note 25 – Employee benefits expense

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries and Bonus	24.01	32.13
Contribution to provident fund	0.61	0.85
Staff welfare expenses	0.34	0.46
Gratuity expenses	0.17	0.20
Contribution to superannuation	0.58	0.49
Total	**25.71**	**34.13**

Note 26 – Finance Cost

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Expenses	792.25	735.97
Other finance costs	43.61	5.28
Total	**835.86**	**741.25**

Note 27 – Depreciation and amortization expense

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation of tangible assets (Refer note 3)	453.80	327.23
Amortisation of intangible assets (Refer note 3)	0.70	0.70
Total	**454.50**	**327.93**

Note 28 – Other expenses

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Consumption of stores and spare parts	57.16	56.29
Plant running and maintenance expenses	155.30	129.94
CSR Expenses (Refer note below)	0.77	0.77
Legal and professional fees (Refer note 31)	5.92	9.54
Electronic data processing expenses	2.13	2.40
Insurance	18.94	17.83
Rates and taxes	0.77	0.92
Security expenses	0.23	3.11
Travelling	4.01	3.69
Books and periodicals	0.23	0.02
Director Sitting fees	0.12	0.13
Net loss on foreign currency transactions and translation	24.22	26.53
Miscellaneous expenses	1.91	5.03
Total	**271.71**	**256.20**

Note: Corporate Social Responsibility Expenses includes:

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Gross amount required to be spent by the company during the year	-	-
(b) Amount spent on:		
(a) Construction/ Acquisition of assets	-	-
In cash	-	-
Yet to be paid in cash	-	-
(b) On purposes other than (a) above		
In cash	0.61	0.77
Yet to be paid in Cash	0.16	-
Total	**0.77**	**0.77**

Note 29 – Commitments

(i) Commitments:

Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹ 11.08 Crore (previous year ₹ 9.29 Crore).

(ii) Other Commitments:

The Company has entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty-five years. PPA has been identified as arrangement containing lease as per Appendix C to the Ind AS 17. PPA has been classified as operating lease as per the policy of the Company. The contingent rents recognized as income during the year is ₹ 1,672.43 Crore (previous year ₹ 1,555.64 Crore).

Note 30 – Contingent Liabilities

Claims against the company not acknowledged as debt

As per the Punjab State Grid Code, if a power generating station fails to demonstrate its declared capacity for any time block mentioned in the demonstration notice from Punjab State Load Despatch Centre ("PSLDC"), it amounts to a mis-declaration. During the month of January 2017, Punjab State Power Corporation Limited ("PSPCL") imposed a penalty on the Company on account of alleged mis-declaration and deducted a penalty of ₹ 77.86 Crore from the monthly bill setting aside the clarifications submitted by TSPL.

In February 2018, Punjab State Electricity Regulatory Commission ("PSERC") unfavourably disposed the petition and directed calculation of the penalty for four instances in January 2017 at normative availability of 80% amounting to ₹ 127.32 Crore. The Company has obtained stay order against further deductions and the matter is listed for hearing at Appellate Tribunal for Electricity ("APTEL"). The Company has also filed a Writ Petition before the Punjab and Haryana High Court challenging the validity of the regulation on grounds of being arbitrary and disproportionate. High Court has admitted the Writ Petition and has directed the Company to approach them after final adjudication of the appeal at APTEL.

On the basis of merits of the case and backed by legal opinion, no provision has been considered necessary at this stage.

Note 31 – Auditors' Remuneration included under Legal and Professional Services

₹ in Cr

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit fees	0.16	0.13
Limited Review	0.05	0.04
Reporting for Parent Company consolidation	0.28	0.26
Other Services	0.02	0.02
Out of Pocket Expenses	0.03	0.01
Total	**0.54**	**0.46**

Note 32– Earnings per Share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net profit/ (loss) after tax attributable to equity shareholders (₹ in Cr)	(54.58)	(93.84)
Weighted average number of Equity shares for Basic EPS	320,66,09,692	320,66,09,692
Weighted average number of Equity shares for Diluted EPS	320,66,09,692	320,66,09,692
Earning/ (Loss) Per Share – Basic and Diluted (₹)	**(0.17)**	**(0.29)**

Note 33 – Employee Benefits

(a) Defined contribution plan

The Company contributed a total of ₹ 1.19 Crore for the year ended March 31, 2019 (previous year ₹ 1.34 Crore) to the following defined contribution plans:

Central provident fund

In accordance with the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2019 and 2018) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. Where the contributions are made to independently managed and approved funds, shortfall in actual return, if any, from the return guaranteed by the State are made by the employer, these are accounted for as defined benefit plans. The benefits are paid to employees on their retirement or resignation from the Company.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred.

(b) Defined benefit plan

In accordance with the Payment of Gratuity Act of 1972, the Company operates a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. Based on actuarial valuations conducted as at year end on the basis on Projected Unit Credit (PUC) method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

The disclosure as required under Ind AS-19 "Employee Benefits" regarding the company's gratuity plan (funded) are as follows:

Actuarial Assumptions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salary growth (p.a.)	5.50%	5.50%
Expected rate of return on plan assets (p.a.)	7.70%	8.05%
Discount rate (p.a.)	7.80%	7.70%
Mortality rate	100% IALM(2006-08)	100% IALM(2006-08)

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Amount recognized as Expenditure during the period

₹ in Cr

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	0.16	0.16
Interest Cost	0.01	0.04
Total	**0.17**	**0.20**

Amount recognized in Other Comprehensive Income during the period ₹ in Cr

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement of the net defined benefit obligation: -		
Actuarial losses/ (gains) arising from changes in financial assumptions	(0.02)	(0.02)
Actuarial losses/ (gains) arising from experience adjustments	0.21	(0.16)
Actuarial losses/ (gains) on assets	0.08	-
Total	**0.27**	**(0.18)**

Movement in present value of defined benefit obligation

₹ in Cr

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Obligation at the beginning of the year	1.14	1.38
Current service cost	0.16	0.16
Interest cost	0.01	0.10
Actuarial (gains)/losses	0.27	(0.18)
Benefits paid	(0.19)	(0.32)
Obligation at the end of the year	**1.39**	**1.14**

Movement in present value of plan assets ₹ in Cr

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value at the beginning of the year	1.08	0.88
Expected return on plan assets	-	0.07
Contribution	0.08	0.45
Benefits paid	(0.19)	(0.32)
Fair value at the end of the year*	**0.97**	**1.08**

*The entire amount has been invested with Life Insurance Corporation of India

Amount Recognized in the Balance Sheet ₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the end of the year	1.39	1.14
Less: Fair value of plan assets at the end of the year	(0.97)	(1.08)
Net liability recognized in the Balance Sheet	**0.42**	**0.06**

The contribution expected to be made by the Company during the financial year 2018-19 as ascertained by the management is ₹ 0.19 Crore (Previous Year ₹ 0.18 Crore)

₹ in Cr

Sensitivity Analysis	March 31, 2019	March 31, 2018
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.08)	(0.07)
Decrease by 0.50%	0.09	0.08
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.09	0.08
Decrease by 0.50%	(0.08)	(0.07)

Maturity profile of defined benefit obligation ₹ in Cr

Year	March 31, 2019	March 31, 2018
April'18-Mar'19	-	0.03
April'19-Mar'20	0.03	0.02
April'20-Mar'21	0.02	0.02
April'21-Mar'22	0.02	0.02
April'22-Mar'23	0.03	0.02
April'23-Mar'24	0.02	0.02
April'24-Mar'25	0.02	-
April'24 onwards	-	1.01
April'25 onwards	1.25	-
Total	**1.39**	**1.14**

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

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 at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India ("LIC"). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Note 34 – Related Party Disclosures

List of related parties and relationships

(a) Entities controlling the company (Holding Companies):

Immediate	Vedanta Limited
Intermediate	Vedanta Resources Limited*(formerly Vedanta Resources Plc.)
Ultimate	Volcan Investments Limited*

(b) Fellow subsidiaries with whom transactions have taken place:

Fellow Subsidiaries	Hindustan Zinc Limited
	Bharat Aluminium Company Limited
	Vizag General Cargo Berth Private Limited*
	Malco Energy Limited*
	Sterlite Power Grid Ventures Limited
	Electrosteel Steels Limited

*No transaction with parties during the year

Terms and conditions of transactions with related parties:
The Purchases and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

(a) Details of transactions during the year with related parties:

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
1) Net Recovery from/ (Reimbursement) of employee cost and other expenses		
(i) Vedanta Limited	(6.55)	(5.50)
(ii) Malco Energy Limited	-	0.01
(iii) Hindustan Zinc Limited	(0.07)	0.03
(iv) Bharat Aluminium Company Limited	(0.58)	(0.10)
(v) Vizag General Cargo Berth Private Limited	-	0.02
(vi) Sterlite Power Grid Ventures Limited	(0.07)	0.02
(vii) Electrosteel Steels Limited	0.16	-
2) Sale/ (Purchase) of goods		
(i) Vedanta Limited	0.35	-
3) Guarantee Commission paid/ payable		
(i) Vedanta Limited	(26.73)	-

(b) Details of balances with related parties:

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
1) Balance Receivable as at the end of the year		
(i) Hindustan Zinc Limited	-	0.04
(ii) Sterlite Power Grid Ventures Limited	0.05	0.01
(iii) Vizag General Cargo Berth Private Limited	-	-
(iv) Electrosteel Steels Limited	0.15	-
2) Balance Payable as at the end of the year		
(i) Vedanta Limited	37.08	4.21
(ii) Hindustan Zinc Limited	0.05	-
(iii) Bharat Aluminium Company Limited	0.51	0.01
3) Bank Guarantees/ Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	8,495.55	9,000.00

(c) Remuneration of Key management personnel (KMP):

₹ in Cr

Particulars	As at March 31, 2019	As at March 31, 2018
Short-term employee benefits	2.43	2.34
Post-employment benefits	0.18	0.18
Share based payments	0.26	0.28
Total	**2.87**	**2.80**

Note:
(i) The company has also paid ₹ 0.12 crore (previous year ₹ 0.13 crore) as sitting fees to its directors.
(ii) Post-employment benefits does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Note 35 – Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings from banks and financial institutions. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises issued equity capital and all other equity reserves attributable to the equity holders of the company.

The following table summarizes the capital of the Company:

(₹ in Cr except ratios)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	3,206.61	3,206.61
Other Equity	(650.80)	(595.95)
Total Equity (a)	**2,555.81**	**2,610.66**
Cash and cash equivalents	262.18	23.41
Total cash (b)	**262.18**	**23.41**
Short-term borrowings	1,792.28	2,525.79
Long-term borrowings	5,898.83	4,676.31
Current maturities of long-term debt	973.52	1,448.91
Total debt (c)	**8,664.63**	8,651.01
Net debt (d=(c-b))	**8,402.45**	8,627.60
Net debt to equity ratio	3.29	3.30

Note 36 – Financial Instruments

Financial assets and liabilities:

The accounting classification of each category of financial instruments, their carrying amounts and fair value amounts are set out below:

March 31, 2019 ₹ in Cr

Financial assets	**Fair value through profit or loss**	**Amortised cost**	**Total carrying value**	**Total fair value**
Trade receivables - Current	-	337.82	**337.82**	**337.82**
Trade receivables - Non-Current	-	2,200.08	**2,200.08**	**2,200.08**
Other non-current financial assets	-	8.51	**8.51**	**8.51**
Other current financial assets	-	114.52	**114.52**	**114.52**
Cash and cash equivalents	-	262.18	**262.18**	**262.18**
Total	**-**	**2,923.11**	**2,923.11**	**2,923.11**

March 31, 2018 ₹ in Cr

Financial assets	**Fair value through profit or loss**	**Amortised cost**	**Total carrying value**	**Total fair value**
Trade receivables - Current	-	1,439.81	**1,439.81**	**1,439.81**
Trade receivables - Non-Current	-	816.61	**816.61**	**816.61**
Other non-current financial assets	-	5.83	**5.83**	**5.83**
Other current financial assets	0.61	73.28	**73.89**	**73.89**
Cash and cash equivalents	-	23.41	**23.41**	**23.41**
Total	**0.61**	**2,358.94**	**2,359.55**	**2,359.55**

March 31, 2019				₹ in Cr
Financial assets	**Fair value through profit or loss**	**Amortised cost**	**Total carrying value**	**Total fair value**
Long-term borrowings	-	5,898.83	**5,898.83**	**5,879.44**
Short-term borrowings	-	1,792.28	**1,792.28**	**1,792.28**
Trade payables	-	392.44	**392.44**	**392.44**
Other non-current financial liabilities	-	-	**-**	**-**
Other current financial liabilities	39.89	2,441.92	**2,481.81**	**2,478.05**
Total	**39.89**	**10,525.47**	**10,565.36**	**10,542.21**

March 31, 2018				₹ in Cr
Financial assets	**Fair value through profit or loss**	**Amortised cost**	**Total carrying value**	**Total fair value**
Long-term borrowings	-	4,676.31	**4,676.31**	**4,668.54**
Short-term borrowings	-	2,525.79	**2,525.79**	**2,525.79**
Trade payables	-	326.55	**326.55**	**326.55**
Other non-current financial liabilities	10.98	-	**10.98**	**10.98**
Other current financial liabilities	18.90	2,680.73	**2,699.63**	**2,700.23**
Total	**29.88**	**10,209.38**	**10,239.26**	**10,232.09**

Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs 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).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at March 31, 2019 and March 31, 2018 measured at fair value.

₹ in Cr

As at March 31, 2019	Level 1	Level 2	Level 3
Financial assets - Current			
Derivative financial assets			
- Forward foreign currency contract	-	-	-
Total	-	-	-
Financial liabilities - Non-current			
Derivative financial liabilities			
- Forward foreign currency contract	-	-	-
Financial liabilities - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	39.89	-
Total	-	**39.89**	-

₹ in Cr

As at March 31, 2018	Level 1	Level 2	Level 3
Financial assets - Current			
Derivative financial assets			
- Forward foreign currency contract	-	0.61	-
Total	-	**0.61**	-

Financial liabilities - Non-current			
Derivative financial liabilities			
- Forward foreign currency contract	-	10.98	-
Financial liabilities - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	18.90	-
Total	-	**29.88**	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Short-term marketable securities traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. Other short-term marketable securities are valued on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).
- Long-term fixed-rate and variable-rate borrowings (including their current maturities): Fair value has been determined by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. For all other long-term fixed-rate and variable-rate borrowings, either the carrying amount approximates the fair value, or fair value have been estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.
- Derivative contracts: The Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts and Interest rate swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations, foreign exchange spot and forward premium rates.
- The fair value of current trade receivables, cash and bank balances, loans and other financial assets, current borrowings, trade and other payables and other current financial liabilities is likely to approximate their carrying values due to short term maturities of these instruments.
- Non-current trade receivable: Fair value has been determined by the company based on interest rates and recoverability of dues from the customer. Also, refer note 40.

Note 37 – Risk management

The company's business are subject to several risks and uncertainties including financial risks. The company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The company has in place risk management processes which are in line with the policy of the parent company, Vedanta Limited. Each significant risk has a designated 'owner' within the company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the centralised Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the Risk Management Committee of the Company comprising of senior management, which meets regularly to review risks as well as the progress against the planned actions Key business decisions are discussed at the periodic meetings of the Board of Directors. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Finance Standing Committee. A monthly reporting system exists to inform senior management of investments, debt and currency. The company has a strong system of internal control which enables effective monitoring of adherence to company's policies. The internal control measures are effectively supplemented by regular internal audits.

The investment portfolio at the company is maintained as per approved monthly policies duly approved by holding Company treasury team.

The company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative financial instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury risks. Treasury transactions are normally in the form of forward contracts and these are subject to the Company's guidelines and policies.

Additional Information to the Financial Statements:

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize foreign exchange impact through proven financial instruments.

Liquidity Risk

The company requires funds both for short-term operational needs as well as for long-term investment projects. The Company has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its banking facilities in line with Basel II norms. During the year, CRISIL revised the rating of the Company's long-term bank facilities and its Non-Convertible Debentures (NCD) programme in February, 2019, CRISIL AA (SO)/(Stable) from CRISIL AA (SO)/(Positive) in March 2018 and India Ratings revised the rating of Company's NCD of ₹ 200 Crores in March 2019, IND AA(SO)/(Stable) from IND AA(SO)/(Positive) in November 2018.

The company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

₹ in Cr

Financial liabilities	**As on March 31, 2019**				
	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Borrowings	2,783.52	3,233.94	507.00	2,173.00	**8,697.46**
Interest on borrowings	610.82	1,003.30	453.89	713.19	**2,781.20**
Trade payables	392.44	-	-	-	**392.44**
Other financial liabilities – current	1,278.71	-	-	-	**1,278.71**
Financial Instruments – derivatives	39.89	-	-	-	**39.89**

₹ in Cr

Financial liabilities	**As on March 31, 2018**				
	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Borrowings	3,997.47	2,124.66	659.00	1,911.00	**8,692.13**
Interest on borrowings	439.95	683.01	394.65	720.71	**2,238.32**
Trade payables	326.55	-	-	-	**326.55**
Other financial liabilities – current	1,168.52	-	-	-	**1,168.52**
Financial Instruments – derivatives	18.90	10.98	-	-	**29.88**

Interest rate risk

The company is exposed to interest rate risk on short-term and long-term floating rate instrument. Borrowings of the company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The Indian Rupee debt is mix of fixed interest rates and floating interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The company invests cash and liquid investments in short-term deposits and liquid mutual funds.

The exposure of the company's financial assets as at March 31, 2019 to interest rate risk is as follows:

₹ in Cr

As at March 31, 2019				
Particulars	**Floating rate financial assets**	**Fixed rate financial assets**	**Non-interest bearing financial assets**	**Total financial assets**
Financial assets-non-current				
Trade Receivables*	-	-	2,200.08	2,200.08
Other financial assets	-	-	8.51	8.51
Total financial assets-non-current	-	-	**2,208.59**	**2,208.59**
Financial assets-current				
Trade receivables*	-	-	337.82	337.82
Cash and cash equivalents	-	-	262.18	262.18
Other financial assets	-	-	114.52	114.52
Total financial assets-current	-	-	**714.52**	**714.52**
Total financial assets	-	-	**2,923.11**	**2,923.11**

*The company is entitled to interest @ 2% in excess of the applicable State Bank Advance Rate (SBAR) per annum beyond normal credit period. Further with respect to dues of ₹ 1,135 Crore, the Supreme Court of India in its order dated March 7, 2018 has directed repayment within three months from the date of order, whereafter simple interest @12% per annum would be levied. PSPCL has misinterpreted the Supreme Court order and had not made the complete payment (excluding interest) due to TSPL. TSPL has filed a contempt petition before Supreme Court of India.

₹ in Cr

As at March 31, 2018				
Particulars	**Floating rate financial assets**	**Fixed rate financial assets**	**Non-interest bearing financial assets**	**Total financial assets**
Financial assets-non-current				
Trade Receivables*	-	-	816.61	816.61
Other financial assets	-	-	5.83	5.83
Total financial assets-non-current	-	-	**822.44**	**822.44**
Financial assets-current				
Trade receivables*	-	-	1,439.81	1,439.81
Cash and cash equivalents	-	-	23.41	23.41
Other financial assets	-	-	73.89	73.89
Total financial assets-current	-	-	**1,537.11**	**1,537.11**
Total financial assets	-	-	**2,359.55**	**2,359.55**

*The company is entitled to interest @ 2% in excess of the applicable State Bank Advance Rate (SBAR) per annum beyond normal credit period. Further with respect to dues of ₹ 802.02 Crore, the Supreme Court of India in its order dated March 7, 2018 has directed repayment within three months from the date of order, where after simple interest @12% per annum would be levied.

₹ in Cr

As at March 31, 2019				
Particulars	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**	**Total financial liabilities**
Financial liabilities – non-current				
Borrowings	3,399.54	2,499.29	-	5,898.83
Derivative financial liabilities	-	-	-	-
Total financial liabilities -non-current	**3,399.54**	**2,499.29**	**-**	**5,898.83**

Financial liabilities – current				
Borrowings	503.52	2,262.28	-	2,765.80
Trade payables	-	-	392.44	392.44
Other financial liabilities	-	-	1,468.40	1,468.40
Derivative financial liabilities	-	-	39.89	39.89
Total financial liabilities-current	**503.52**	**2,262.28**	**1,900.73**	**4,666.53**
Total financial liabilities	**3,903.06**	**4,761.57**	**1,900.73**	**10,565.36**

The weighted average interest rate on the fixed rate financial liabilities is 8.31% p.a. and the weighted average period for which the rate is fixed is 1.25 years.

₹ in Cr

As at March 31, 2018				
Particulars	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**	**Total financial liabilities**
Financial liabilities – non-current				
Borrowings	3,626.47	1,049.84	-	4,676.31
Derivative financial liabilities	-	-	10.98	10.98
Total financial liabilities -non-current	**3,626.47**	**1,049.84**	**10.98**	**4,687.29**
Financial liabilities – current				
Borrowings	1,037.47	2,937.23	-	3,974.70
Trade payables	131.00	-	195.55	326.55
Other financial liabilities	-	-	1,231.82	1,231.82
Derivative financial liabilities	-	-	18.90	18.90
Total financial liabilities-current	**1,168.47**	**2,937.23**	**1,446.27**	**5,551.97**
Total financial liabilities	**4,794.94**	**3,987.07**	**1,457.25**	**10,239.26**

The weighted average interest rate on the fixed rate financial liabilities is 8.01% p.a. and the weighted average period for which the rate is fixed is 1.67 years.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings for the year ended March 31, 2019. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

₹ in Cr

Movement in interest rates	**Effect on profit before tax**	
	FY 2018-19	**FY 2017-18**
0.50%	19.52	23.97
1.00%	39.03	47.95
2.00%	78.06	95.90

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments.

Given the nature of PPA, trade receivables are from a single customer Punjab State Power Corporation Limited (PSPCL), with significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. These exposures are further reduced by having standard International Swaps and Derivatives Association (ISDA) master agreements including set-off provisions with each counter party. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets other than cash and current investments represents the maximum credit exposure.

The company's maximum exposure to credit risk at March 31, 2019 is ₹ 2,660.93 Crore (previous year ₹ 2,335.53 Crore) of which ₹ 2,648.47 Crore (previous year ₹ 2,254.90 Crore) was from a single trade receivable.

None of the company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

₹ in Cr

Particulars	**As on March 31, 2019**				
	Not past due	**Due less than 1 months**	**Due between 1-3 months**	**Due between 3-12 months**	**Due greater than 12 months**
Trade receivables - Non-Current*	75.02	50.90	89.02	556.36	1,428.78
Trade receivables - Current*	332.42	4.95	0.45	-	-
Other Financial Asset - Non-Current	8.51	-	-	-	-
Other Financial Asset - Current	110.58	0.17	0.13	3.64	-
Total	**526.53**	**56.02**	**89.60**	**560.00**	**1,428.78**

₹ in Cr

Particulars	**As on March 31, 2018**				
	Not past due	**Due less than 1 months**	**Due between 1-3 months**	**Due between 3-12 months**	**Due greater than 12 months**
Trade receivables - Non-Current*	149.84	56.40	148.08	176.05	286.24
Trade receivables - Current*	598.38	81.46	36.09	188.24	535.64
Other Financial Asset - Non-Current	5.83	-	-	-	-
Other Financial Asset - Current	69.43	0.17	0.04	3.64	-
Total	**823.48**	**138.03**	**184.21**	**367.93**	**821.88**

*Refer Note 40

Foreign Exchange Risk

Fluctuations in foreign currency exchange rates may have an impact on the financial statements where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The Company uses forward exchange contract to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. However, all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit or loss and statements of comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

₹ in Cr

Financial liabilities	**As at March 31, 2019**	**As at March 31, 2018**
USD	1,246.92	1,318.46

The Company's exposure to foreign currency arises where a company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the Company.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in net decrease/increase in the Company's profit or loss and equity for the year ended March 31, 2019 by ₹ 124.69 Crore. (previous year ₹ 131.84 Crore).

Note 38 – Derivative financial instruments

The company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative financial instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury. Both treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non-qualifying/ economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such derivative instruments are recognized in the statements of profit or loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

₹ in Cr

Derivative financial instrument	As at March 31, 2019		As at March 31, 2018	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Current				
Forward foreign currency contracts	-	39.89	0.61	18.90
Non-Current				
Forward foreign currency contracts	-	-	-	10.98
	-	**39.89**	**0.61**	**29.88**

Note 39 – Income tax Expenses ₹ in Cr

(a) Tax Charge/ (credit) recognised in profit or loss:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profit for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Origination and reversal of temporary differences	53.78	180.81
Total deferred tax	**53.78**	**180.81**
Tax Charge for the year	**53.78**	**180.81**
Effective income tax rate	**(6751.22)%**	**207.90%**

(b) Reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to tax expense for the year: **(₹ in Cr)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit / (loss) before tax	**(0.80)**	**86.97**
Statutory income tax rate	34.61%	34.61%
Tax at Indian statutory income tax rate	-	30.10
Tax effect of Temporary differences getting reversed during tax holiday period	53.78	150.71
Tax Charge for the year	**53.78**	**180.81**

(c) Deferred tax liabilities (net)

The deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and the amortisation of intangible assets. Significant components of deferred tax liability in the balance sheet are as follows:

(₹ in Cr)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Property, plant and equipment and intangible assets:		
Opening balance	**180.81**	-
Charged/(credited) to statement of profit and loss	53.78	180.81
Closing balance	**234.59**	**180.81**

The company does not have any material unrecognised deferred tax assets.

Note 40 – Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 2,200.08 Crore (March 31, 2018 ₹ 1,628.39 Crore) which are on account of various disputes including differences in assessment of calorific value of coal, tax benefits at the time of initial plant setup, procurement of alternate coal and basis of computation of plant availability amongst others. The Supreme Court of India in March 2018 upheld the company's claim for calorific value assessment. PSPCL has misinterpreted the Supreme court order and has only paid ₹ 16 crores and a sum of ₹ 1,135 crores remains outstanding on account of the said dispute. TSPL has filed a contempt petition before Supreme Court of India which is pending disposal. The balance matters are under litigation and the Company has obtained independent legal advice which supports its claims and is thus not expecting any material losses on these balances and believes that it is highly probable that the Company claims would be upheld. Based on the expected timing of realisation of these balances, which is in turn dependent on the settlement of legal disputes, the Company has bifurcated the receivables into current and non-current. The management has assessed the recoverability of the outstanding balances and does not believe that any material adjustment is required to the same.

Note 41 – Segment Information

The Company's activities during the year revolved around operating 3*660 MW Thermal Power Plant at Mansa, Punjab. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 - Operating Segments. All the Company's revenues, trade receivables and non-current operating assets are in India. The company's revenues aggregating to ₹ 5,235.60 Crore (previous year ₹ 4,171.76 Crore) is to a single customer.

Note 42 – Share based compensation plans

"The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Limited [Vedanta Resources Long-Term Incentive Plan (""LTIP""), Employee Share Ownership Plan (""ESOP"") and Performance Share Plan ("PSP")] collectively referred as 'VRL ESOP' scheme and Vedanta Limited [Vedanta Limited-Employee Stock Option Scheme (""Vedanta Limited-ESOS"")].

During the year, share-based incentives under VRL ESOP scheme and ESOS of Vedanta Limited (introduced effective December 2016 and September 2017) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. ESOP scheme of VRL and Vedanta limited are both tenure and performance based share schemes. The awards are indexed to and settled by Parent shares (Vedanta Resources Limited shares or Vedanta Ltd shares as defined in the scheme).The awards have a fixed exercise price denominated in Parent's functional currency (10 US cents per share in case of Vedanta Resources Ltd and Re.1 in case of Vedanta Limited), the performance period of each award is three years and is exercisable within a period of six months from the date of vesting beyond which the option lapse.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognized towards ESOP scheme is recovered by the parent from the Company."

Amount recovered by the parent and recognised by the company in the statement of profit and loss for the financial year ended March 31, 2019 was ₹ 1.20 Crore [previous year ₹ 1.54 Crore]. The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 43 – Operating Lease Commitments

The Company is having an operating lease in relation to land for railway siding, with a non-cancellable period of 3 years. There are no restrictions imposed by lease arrangements and there are no subleases. The information required with respect to non-cancellable leases are as follows:

₹ in Cr

Financial liabilities	As at March 31, 2019	As at March 31, 2018
Within one year	3.36	3.14
Later than one year but not later than five years	7.82	-
Total	**11.18**	**3.14**

Note 44 – Previous year's figures

Figures or the previous year are reclassified/regrouped wherever necessary, to conform to those of the current year presentation.

In terms of our report attached

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Naman Agarwal
Partner
Membership No.: 502405

Place: New Delhi
Date: April 26, 2019

For and on behalf of Board of Directors

S. K. Roongta
Chairman
DIN: 00309302

Ajay Kumar Dixit
Whole Time Director
DIN: 03086605

Rohit Agarwal
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

NOTES

Talwandi Sabo Power Limited
Village Banawala, Mansa-Talwandi Sabo Road, Mansa, Punjab – 151302
www.tsplindia.co|CIN: L40101PB2007PLC031035