TALWANDI SABO POWER LIMITED

Annual Report 2019-20

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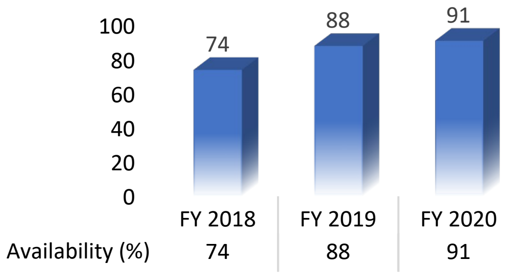
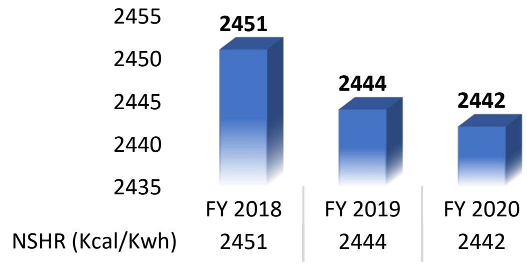
Operational & Financial Performance

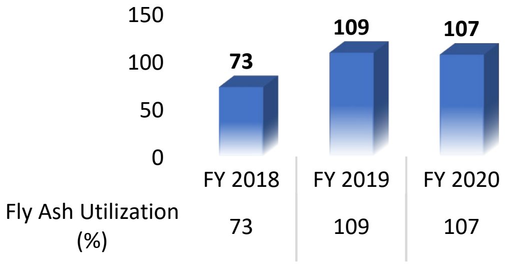
PLANT TECHNICAL AVAILABILITY (%)



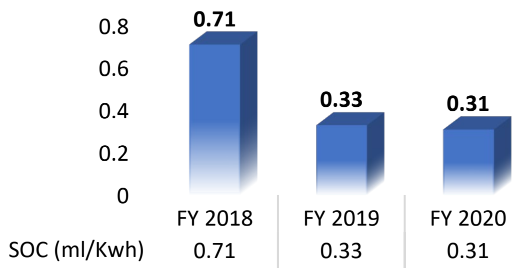
NET STATION HEAT RATE (KCAL/KWH)



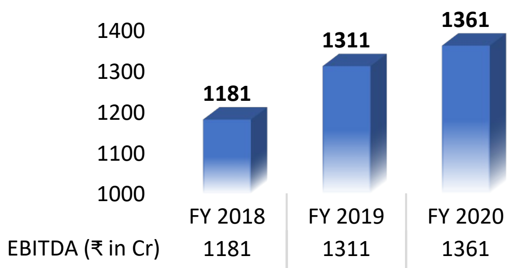
FLY ASH UTILIZATION (%)



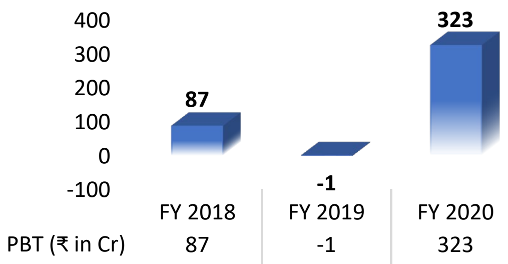
SPECIFIC OIL CONSUMPTION (ML/KWH)



EBITDA (₹ IN CR)



PROFIT BEFORE TAX (₹ IN CR)



Employee Engagements

LEARNINGS

TOWNHALLS

We at TSPL believe in breaking down traditional silos and enable all areas to work together towards a common vision. The ability of continuously engaging in identifying and solving problems helps us to stay ahead of change

WOMEN CENTRIC ENGAGEMENTS

TSPL, being an equal opportunity employer, believes in empowering the women at workplace and celebrating the spirit of womanhood all-round the year

WORKPLACE CELEBRATIONS

Employees Volunteering

CHABEEL

To honour the sacrifice of the 5th Sikh Guru, sweet cold water is handed out to the passers-by in the summer season. TSPL celebrated this spirit of service through Chabeel. It was organized thrice this year. We spread the message of "Eternal Optimism" through this event. Sweet cold rose water was prepared for approximately 2000 people per event and served till late afternoon by 21 volunteers.




SUPPORTED NAGAR KIRTAN JATHA

For the first time ever, International Nagar Kirtan Jatha (religious procession) came to India to celebrate the 550th Birth Anniversary of the Sikhism Founder, Guru Nanak Dev Ji. The International Nagar Kirtan procession embarked its journey from Nanak Sahib in Pakistan and visited all important takhts of Sikhism in India. The Jatha payed its visit to Takht Sri Damdama Sahib Gurudwara in Talwandi Sabo and crossed Talwandi Sabo township on 18th October, 2019. Demonstrating the true spirit of solidarity and selfless service, more than 20 volunteers from TSPL and its business partners served langar to over 2000 people comprising of the Jatha and fellow travellers when they crossed Talwandi Sabo Town.



SUKHMANI SAHIB JI PATH & LANGAR

Sukhmani Sahib Paath, Kirtan & Langar was organized by Talwandi Sabo Power Limited (TSPL) for prosperity and peace of all on 15th February, 2020. Path and a grand langar was organized with the support of the management committee of Takht Shri Damdama Sahib. On this auspious occasion, all employees of TSPL and its business partner STEAG came forward for service. All contractors and sub-contractors of the company also participated in the paath and served langar to all devotees who came from the nearby villages. Approximately 2500 people partook in the paath and langar. Government employees and village sarpanches who came to take part in the paath also contributed on this occasion.



FRIENDLY CRICKET MATCH PPCB VS TSPL

A friendly cricket match was organized by Talwandi Sabo Power Limited (TSPL) on 23rd February, 2020, at Police Lines Ground, Bhatinda. The match took place between officials of Punjab Pollution Control Board (PPCB) and TSPL.

WAR WITH THE VIRUS – COVID-19 RELIEF MEASURES

Talwandi Sabo Power Limited undertook several relief measures for combating the spread of coronavirus and made a contribution of ₹ 25 Lacs towards Punjab Chief Minister's COVID Relief Fund.

Various initiatives were carried out in tandem with the district administration to fight COVID-19 which included disinfection of the plant premises, neighbouring villages besides generating awareness among business partners/contactors and communities to combat the spread of the deadly virus.

Our employees braved all odds to create awareness and distribute essentials in the community. Grocery packets were distributed by employees to needy families in the company's vicinity.

Inter-alia disinfection and awareness generation, TSPL supported health workers, district and police administration with masks, chemical safety suits, safety goggles etc. COVID safety kits were provided to community, administration (police) and media personnel.

In addition, TSPL supported police personnel on COVID duty with essentials services and regular health check-up.

TSPL's VISION, MISSION AND VALUES

Vision:

To become the best performing & the most competitive power plant in India with world-class sustainability practices aided by technology, innovation and strong governance framework with aim to partnering in progress of the Nation.

Mission:

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

Values:

Trust

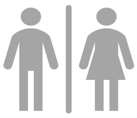
Entrepreneurship

Innovation

Excellence

Integrity

Respect



Care

BOARD OF DIRECTORS

Mr. Agnivesh Agarwal
Chairman

Mr. Vikas Sharma
CEO & Whole -time Director

Mr. Sushil Kumar Roongta
Non-Executive Director

Ms. Pooja Somani
Non-Executive Director

Mr. Gurminder Singh Kang
Independent Director

Ms. Mala Todarwal
Independent Director

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

CORPORATE INFORMATION

REGISTERED OFFICE

Talwandi Sabo Power Limited
Village Banawala, Mansa- 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

BANKERS AND FINANCIAL INSTITUTIONS

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

AUDITORS

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

Internal Auditors
M/s PwC Services LLP

Secretarial Auditors
M/s Chandrasekaran Associates

Cost Auditors
M/s K G Goyal & Company

LEGAL REPRESENTATIVES

Jyoti Sagar Associates
Dutt Menon & Dunmorrsett Advocates
Chambers of Sujit Ghosh
Trilegal

KEY MANAGERIAL PERSONNEL

Chief Executive Officer & Whole-time Director
Mr. Vikas Sharma

Chief Financial Officer*
Mr. Sandeep Modi

Company Secretary & Compliance Officer
Ms. Mansi Bhutani

**W.e.f. close of business hours on May 18, 2020, Mr. Sandeep Modi ceases to be Chief Financial Officer of the Company and Mr. Swapnesh Bansal has been appointed as Chief Financial Officer of the Company w.e.f. May 19, 2020.*

DEBENTURE TRUSTEE

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

CHAIRMAN'S STATEMENT

Dear Members,

This is my first letter as the Chairman of Board of Directors at Talwandi Sabo Power Limited (TSPL) and it is my privilege to write to you and present the Annual Report for FY 2019-20.

In the difficult times when the whole world is facing COVID - 19 pandemic, TSPL has come forward and extended support in every way to combat the spread of the deadly Coronavirus and worked in collaboration with the district administration. Employees of TSPL and Business Partners have worked relentlessly in the communities in the plant periphery villages and we thank each and everyone for their unparalleled dedication and consistent efforts.

As a responsible corporate, TSPL has carried out its duties towards the society and contributed ₹ 25 lacs to Punjab Chief Minister's COVID Relief Fund to support the administration in its efforts to build the nation during this critical period.

I am encouraged to note that TSPL has had a good year. We delivered our peak performance, both operational as well as financial, with record levels of plant technical availability, net station heat rate, profitability, EBITDA etc.

Performance Overview

Your company has turned in a robust performance on key financial and operational parameters in FY 2019-20 with highest ever EBITDA of ₹ 1,361 Cr, PBT of ₹ 323 Cr and plant technical availability of 91% in FY 2020 representing 3.5% increase over availability of 88% in FY 2019.

Touching lives of people

Giving back to the society is company's long term business strategy. The company has undertaken various initiatives with major focus on the thrust areas of health, drinking water & sanitation, sports, livelihood and community development aligned to UN Sustainable Development Goals. During the reported year, TSPL spent ₹ 1.12 Cr on social initiatives which have touched the lives of 24,761 beneficiaries across 26 villages with initiatives being taken for COVID-19 prevention and relief measures.

Safety

The Company is committed to the health and safety of all its Stakeholders and takes precedence in all its business decisions to ensure that the operations are safe and free from risks or hazards. TSPL has made significant progress towards safety culture improvement by engaging with all level of employees and contract partners and implemented safety performance standards & Housekeeping drive, imparting safety training by external agency and internal training. However, we recognize zero harm is a continuous journey and we continue to monitor this as the topmost priority.

Recognitions to the Company

The Company has bagged various awards and accolades during the year for its initiatives in the areas of safety, water conservation, energy conservation, environmental performance, HR practices and many more which are covered later in this report.

Aboarding Directors

The Board of Directors join me in welcoming Mr. Vikas Sharma as CEO and Whole-time Director of the Company w.e.f. October 23, 2019, replacing Mr. Ajay Kapur who, owing to other assignments within the group, desired to step down. Mr. Sharma brings with him 30 years of rich and diverse experience in the areas of HSE, Performance, Ethics, Governance and Stakeholders' Management. We place on record our deep appreciation to Mr. Ajay Kapur for his relentless efforts during his association in the overall growth of the company.

Outlook

As we have come a long way over the past, my heartful thanks to all of you for your continued trust and support that has helped us create a strong foundation for the future. The Company has positioned itself to create a significant impact not just for itself but also for the community wherein it operates. The Board and management of the company will continue to ensure to have the right capabilities to grasp every opportunity that comes our way.

Best Wishes,

Agnivesh Agarwal
Chairman

FROM CEO's DESK

Highlights

- Highest ever Plant Technical Availability of 91% *(FY2019: 88%)*
- Highest ever EBITDA of ₹ 1361 Crore *(FY2019: ₹ 1311 Crore)*
- Highest ever Fly Ash Sales Realization of ₹ 27 Cr *(FY2019: ₹ 23 Cr)*
- Lowest ever NSHR of 2442 Kcal/Kwh *(FY2019: 2444 Kcal/Kwh)*
- Lowest ever Auxiliary Power Consumption of 7.27% *(FY2019: 7.34%)*
- Lowest ever Specific Oil Consumption of 0.31 ml/kwh *(FY2019: 0.33 ml/kwh)*

Dear Members,

I am writing to you in these unprecedented times when the whole world is facing COVID19 pandemic today. In this backdrop, it becomes crucial for businesses to survive first and then build on to seek further opportunities. TSPL is following the State and Central government directives to keep its employees, business partners and communities safe and healthy. We are also partnering with the Government Authorities and the communities to ensure sanitization of the District and villages and to provide adequate ration to underprivileged and PPE for all of them.

Year 2019-20 was one of the best years for TSPL as it improved its performance on almost every significant parameter. We received ₹ 1000 Cr from PSPCL in Coal GCV matter.

TSPL won 16 awards during FY20, maximum number of awards during any year backed by solid performance. Awards were received in the areas of Safety, Energy Efficiency, People Practices, Environmental Management & Ash Utilization etc. It would be pertinent to mention that TSPL has been appreciated by the Punjab Pollution Control Board (PPCB) for commendable contribution towards environmental initiatives.

Our O&M Business Partner, M/s STEAG Energy Services (India) Pvt Ltd. – continues to deliver good performance with its best-in-class industry practices and is fully committed to partner with us in improving the performance further.

We will continue to pursue our goal of Zero Harm, Zero Discharge and Zero Waste. The Company is diligently working towards ensuring hazards-free operations and has made significant ground level improvement to the Safety, Environmental, Health and Social Engagement Systems. We are continuously refining our systems to ensure we achieve our aim of Zero Incident at site.

We continue to show our commitment of 'giving back to the society' and so have spent approx. ₹ 112 Lakhs on Social Programmes. Our efforts in the areas of Healthcare, Livelihood, Rural Infrastructure Development, Sports etc. have touched the lives of people who live around our operating site and we will continue to enhance this further through various CSR programmes in future.

We are supporting our surrounding communities on COVID-19 pandemic through PPE's disbursement, dry ration, sanitization drives, refreshments to Police personnel etc. We are in constant touch with the District Administration and will do everything under our control to protect our neighbouring communities.

Future Outlook

We have a very bright, young & talented workforce at TSPL, which will help us achieve better performance owing to its relentless efforts and winning attitude. This year, we are focused on achieving Operational Excellence with robust Safety, Health and Environment Performance; Higher Productivity and will continue to work towards maintaining high Social Performance.

Your Company will continue to operate under the highest standards of Corporate Governance and with continued focus on digitalisation of processes, which will go a long way in improving the overall performance of our Business.

I would like to extend my gratitude to all the Employees, the Board of Directors, our Business Partners, Stakeholders, Bankers, Central and State Governments for their continuous support and I look forward to a sustainable growth journey ahead.

Best Regards,
Vikas Sharma
CEO & WTD

CSR INITIATIVES

AT TSPL, giving back to the communities is a crucial part of the Company's long-term business strategy. The Company's community initiatives are directed to aide social-economic development the surrounding communities in accordance with the national and international agendas. In the reporting year multiple initiatives focused on thrust areas of health, drinking water and sanitation, sports, livelihood and community development aligned to UN Sustainable Development Goals and CSR mandate of Companies Act, 2013 assisted meet community needs and engage with communities meaningfully.

TSPL's social initiatives have touched the lives of 24,761 beneficiaries across 26 villages in FY 2019-20 by investing ₹ 1.12 Cr on the focus areas.

Aligned Sustainable Development Goals

KEY ACHEIVEMENTS OF COMMUNITY INTERVENTIONS

1,012 FARMERS

Engaged in sustainable agriculture

4,110 PERSONS

Impacted via infrastructure development

2,675 OPDs

Availed health services

2,000 PERSONS

Have access to potable water

2,900 CHILDREN and YOUTH

Engaged in sports

64 UNITS BLOOD

Donated at annual blood camp

12,000

Lives impacted from COVID 19 preventive and relief measures

Agriculture and Animal Husbandry

As our partner communities continue to rely heavily on agriculture, we therefore take up interventions to boost farmers' income and sustainable food production through advancement of improved and sustainable agricultural practices in concurrence with the target 2.3 and 2.4 of SDG Goal 2. To improve the income of farmers the project Navi Disha was conceptualized. The project trained 1,012 farmers in various best package of practices including integrated pest management, soil testing, water testing, seed treatment, organic farming, seed treatment, optimal spacing between rows, using bio pesticides, optimum utilization of chemical fertilizers and manures, residual crop straw management, tillage practices, mulching, organic farming and system crop intensification. Farm field classes, exposure visits, demonstration farms, expert interactions were organized for knowledge transfer and reinforcing the best practices in partnership with The Nabha Foundation.

Linkage was established between the farmers and Punjab Agriculture University (PAU)- a leading agriculture research, education and extension services institute in Punjab, to encourage learning and adoption of emerging scientific practices and government schemes from time to time. Two project beneficiaries were elected representatives for the Seed Producers and Nursery Growers Association set up by PAU. Kulwant Singh, a beneficiary farmer was lauded by PAU for practicing chemical free farming in an award ceremony in February 2020 at its Ludhiana campus.

Healthcare

The health programmes of TSPL address primary healthcare issues around affordability and accessibility of basic and quality healthcare. In line with SDG 3, the health initiative of TSPL enables strengthening of government health system by means of supporting a rural primary health centre. The supported health centre enabled communities' avail specialized services at subsidised prices. The specialised OPDs and clinical laboratory offered health services to more than 2,600 patients at an approachable location from a team of qualified healthcare professionals.

Additionally, in efforts to encourage voluntary blood donation, the annual blood donation camp was organized in partnership with Health Department, Mansa wherein 64 units of blood was collected and donated to Blood Bank Mansa to meet blood requirements for patients undergoing different treatments like anaemia, cancer, blood disorders, emergency surgery etc.

COVID-19 Preventive and Relief Measures

On humanitarian grounds, the company plunged into action offering support to the district administration and local communities for combating the COVID-19 pandemic in numerous ways. To contain the spread of COVID-19 sanitization drives were conducted in the district Mansa and nearby villages. With imposition of the lockdown, the company distributed grocery packets to hundreds of disadvantaged families as livelihoods and businesses were adversely impacted. Additionally, other initiatives taken up in the wake of COVID-19 prevention included installation of banners and distribution of pamphlets for awareness generation, providing personal protective equipment, soaps, sanitizers and vehicular support to the district administration and communities. TSPL employees and business partners also made monetary and non-monetary contributions supporting the relief measures during COVID-19 lock down.

Drinking Water and Sanitation

Water is vital for existence of all creatures on the planet. To achieve the SDG 6 Clean Water and Sanitation at TSPL we are working towards securing adequate and equitable access to safe and affordable drinking water for host communities. This is achieved through installation of reverse osmosis (RO) plants in villages. The company installed one 250 litres per hour capacity water purifier while installation of another 1,000 litre RO work under progress had to be put on hold due to the COVID 19 pandemic lockdown at the time of reporting. For this laying of 450 meters of water supply pipeline from the source to RO purifier was completed by March 2020.

Sports and Culture

Besides promoting health and fitness and active lifestyle, sports aids development of key life skills and character building. The sports programmes at TSPL aim at bringing about positive and constructive change among youth and children in the rural and urban landscapes. The company encouraged active lifestyle among the communities by participating in the Khelo India and the Fit India movement through support of sports events and infrastructure reaching out to nearly 2,900 youth and children. Responding positively to the community request TSPL erected a volleyball court and outdoor play station in two villages.

Rural Community Development

Infrastructure development is key to improving socio-economic growth and lifestyle of the communities. TSPL implemented various community development projects for benefit of the larger community harmonizing with SDGs 6, 9, 11 reaching out to nearly 4,000 persons. Cognizant of the need for community development the company aided development of basic infrastructure in its operational villages including-

Integrated School Development- Aligned with the Swachh Bharat Mission of Government of India, school toilets were constructed and repaired under Swachh Bharat Abhiyan to inculcate proper hygiene and sanitation habits among school students from early age.

Community Parks- Public spaces provide ample opportunities for people to assimilate and come together as a society. To provide aesthetic and recreational opportunities to the people two public parks were developed in partnership with the community and gram panchayats

Village Road- A seven-hundred meters paver block road was developed by the company enabling safe movement of persons and goods at Village Raipur benefitting nearly 2,000 persons.

Rainwater Harvesting- In response to the clarion call of Prime Minister for water conservation under the Jal Shakti Abhiyan TSPL developed rooftop rainwater harvesting structures in four schools, linking it with school lawns thereby reducing dependence on fresh water for gardening purposes.

Employee Volunteering

TSPL encourages employee volunteering in the community interventions. These opportunities offer employees contribute towards societal well-being by utilizing their time, skills and other resources for community welfare and gain a deep sense of satisfaction. Engagements like these also strengthen the stakeholder relationship thereby endorsing the company brand values of Care and Respect.

In FY 2019-20, the company clocked nearly 600 volunteering hours including direct and associated employees in activities ranging from celebrating cultural festivities with the local communities to spending time at farm to learn about agriculture direct from the farmer, participating voluntarily in blood donation drive and contributing time and resources towards COVID-19 relief work helping out those in need.

AWARDS AND ACCOLADES

Recognitions to the Company

State Energy Conservation Award - Recognition for the Energy Conservation Initiatives by Punjab Energy Development Authority (PEDA)

Mission Energy Foundation's Fly Ash Utilisation Awards – Recognition for efficient management of fly ash ≥ 500 MW

Greentech Safety Award – Recognition for the Environmental Performance

10th CII National HR Excellence Award – Recognition for Strong Commitment to HR Excellence

Mission Energy Award – Recognition for the initiatives in Water Conservation for plant

Fame Awards 2019 – Excellence in HR Practices

Fame Awards 2019 – Recognition for Business Excellence

GMF Shining Glory Award - Water Conservation

ROSPA Silver Award, UK - Safety Performance for 2018

Punjab Manufacturing Leadership Award, 2019

Environment Excellence Award from PPCB

Economics Times Great Manager Awards – Mr. Vijay Ingole, General Manager – O & M, TSPL

BOARD's REPORT

Dear Members,

The Board of Directors have pleasure in presenting the 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, 2020.

Company Overview and Financial Performance Summary

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.

Financial Highlights for FY 2019-20

- EBITDA increased by 3.81% to ₹ 1,361 Crore (FY 19: ₹ 1,311 Crore)
- PBT increased by 404% to ₹ 323 Cr (FY 19: ₹ (0.80) Crore)
- Net debt reduced to ₹ 7,393 Crore (FY 19: ₹ 8,402 Crore)

The summarized results of the company are provided below:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Operations	4,771.82	5,235.60
Other operating income	45.64	49.13
Other Income	139.70	1.68
Total Income	**4,957.16**	**5,286.41**
Total Expenses	**4,716.70**	**5,287.21**
Profit/(loss) before exceptional items and tax	**240.46**	**(0.80)**
Exceptional Items	**82.06**	**-**
Profit/(loss) before tax	**322.52**	**(0.80)**
Tax Expenses / (benefit):	-	-
On other than exceptional items	-	-
Deferred tax	(428.30)	53.78
On Exceptional items	-	-
Deferred tax	20.65	-
Net Tax expense / (benefit):	**(407.65)**	**53.78**
Net Profit / (Loss) for the year	**730.17**	**(54.58)**
Other Comprehensive Income/(Loss) (net of taxes)	**(0.39)**	**(0.27)**
Total Comprehensive Income/(Loss) for the period	**729.78**	**(54.85)**
Earnings/ (Loss) per equity share, (in ₹)		
- Basic & Diluted	2.28	(0.17)

Reserves and Surplus

The net movement in the major reserves of company for the financial year 2019-20 and 2018-19 are provided below:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Surplus/ Deficit in statement of Profit & Loss		
Balance at the beginning of the year	**(650.80)**	**(595.95)**
Add: Profit and (Loss) for the year	730.17	(54.58)
Less: Transfer to Debenture Redemption Reserve	**-**	-
Other Comprehensive Income	**(0.39)**	(0.27)
Closing Balance	**78.98**	**(650.80)**

Material Changes and Commitments, if any, affecting the financial position of the Company

Details of Material changes affecting the financial position of the company are provided in Note 2 to the financial statements of the company for the year ended March 31, 2020.

Deposits

As on March 31, 2020, 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

The Board has not recommended any dividend on equity shares of the company during the financial year 2019-20.

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 2019-20, Foreign exchange payments (Outgo) were ₹ 6.58 Cr and Foreign exchange earnings were Nil.

Subsidiary/ Joint Venture/ Associate Companies

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

Share Capital

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

Secretarial Standards

Pursuant to Section 118 of Companies Act, 2013, the Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India

Related Party Transactions

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

During the year, all transactions entered into by the company with the related parties were in the ordinary course of business and on an arm’s length basis and were in compliance with the provisions of Companies Act.

Credit Rating

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 updated the credit rating suffix of Non-Convertible Debentures (NCD) from CRISIL "AA (SO)/(Stable)" to CRISIL "AA (CE)/(Stable)" on September 7, 2019 and later reaffirmed the same ratings on January 13, 2020 and India Rating updated its rating of NCD from IND "AA(CE)/(Stable)" to IND "AA(CE)/(Negative)" on March 19, 2020. Subsequent to year end, CRISIL has updated the credit rating outlook of NCD from CRISIL "AA (CE)/(Stable)" to CRISIL "AA(CE)/(Negative)" on April 3, 2020.

The outlook is based on rating outlook on Vedanta's debt instruments and bank facilities.

Risk Management framework

A standardized Risk Management Process and System is in place across the Vedanta Group. In line with that, the Board of Directors of the Company has also 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 its key processes like procurement, project / expansion management capex, human resources, sales and marketing, finance, treasury, compliance, safety, health and environment (SHE) and manufacturing etc.

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.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

Details of Material changes affecting the financial position of the company are provided in Note 2 to the financial statements of the company for the year ended March 31, 2020.

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 32. 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 continue to 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:
Our company emphasizes 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) by third party and Internal talent growth workshops anchored by Chairman are conducted periodically in order to identify the fast trackers or high potential employees in the organization. Potential of the employees participating in these internal growth identification initiatives are assessed by cross functional panel consisting of Senior management employees across the group. The employees who are identified as the High potential at the end of the process are declared as STAR of the business/ given the higher roles and responsibilities.

Employee Engagement:
We at TSPL always believe that it is the degree to which an employee is emotionally bonded to his Organization and passionate about his work that really matters. We constantly strive to provide an engaging work environment, with a spirit of common purpose. Across our functions and levels, 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. In order to encourage Work life balance and Employee Delight we have invested and created superior quality world class infrastructure like Gym, Badminton Court, Guest House, Cafeteria etc.

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 18% of our total workforce.

Empowerment of Women Professionals:
To induce a friendly work environment for women, "We Council" is in place. We have 15% of our Executive Committee Members as young female employees. Special drive was taken at group level to identify women talent and give them higher roles and responsibilities and recognition.

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.

Women's Day, New Year Celebration, Teej, Ganesh Chaturthi, Diwali, Christmas, Lohri, Langar and other cultural and festive extravaganza are some of the key features aimed at promoting cultural diversity at the 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 compliance 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 financial year ended on March 31, 2020, the company received 3 complaints and the same have been resolved by taking appropriate actions.

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 2019-20, your company embarked on an exciting digital transformation journey by way of migration of SAP SRM to the Ariba technology. In order to achieve our vision to modernize procurement, finance and simplify business processes, SAP Ariba has helped in significantly enhancing our procurement automation, 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 dashboard 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 with various trend reports.

Mailing solution migrated to cloud-based technology with collaboration of video audio and instance messaging, with documentation functionality which leads to high availability.

The company also add values to business by implementing Automation project like Weighbridge automation, E-banking, Auto invoicing, SOX portal and Hyper Convergence Infrastructure (HCI) projects resulting into reduction of cost, improving efficiencies and optimizing resources with enabling decision making.

Introducing BYOD Model

As the company strives for new technologies in the field of digitalization, it introduced the BYOD (Bring your own Device) model for its business partners for mitigating the challenges relating to data loss prevention and governance. This new platform leads to reliable and independent IT infrastructure.

Operations and Maintenance

Financial year 2019-20 turned out to be a robust year in performance for TSPL. With continuation of single O&M contract through M/s STEAG Energy Services (India) Pvt Limited – WOS of STEAG Energy Services GmbH, a German power station services company, well known for its operations and maintenance practices for large power stations, TSPL has managed to achieve many feats in the core areas.

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.

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 2019-20, TSPL has continued the implementation of Vedanta Sustainability Framework including safety performance standards. TSPL has revised all sustainability policies in the financial year 2019-20. 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 2019-20:

- Zero fatal incident
- 2109 nos. accident free man days (Fatal)
- 38.533 nos. accident free million-man hrs. (Fatal)
- Saving of 5.2 lacs m3 of water and 287.42 MU of energy
- Generation of 12326 units from 30 Kwp Solar Rooftop Panel and reduction in carbon footprint of 11.18 MT of CO_2
- To improve ambient air quality, 1700 nos. of saplings have been planted at Talwandi Sabo Town, Maur Mandi and within TSPL premises.

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:

- Occupational Health and Safety Management System standard: ISO 45001:2018
- Quality Management System standard: ISO 9001:2015
- Environmental Management System standard: ISO 14001:2015
- Energy Management System Standard: ISO 50001:2018
- 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 focused on culture of care by Visible felt leadership with management at plants spending more time on the shop-floor to pre-empt and address safety issues, CEO Safety Townhall, Mass Toolbox drive, Leadership tour.

TSPL initiated 100% alcohol test, random drug test, PPE standardisation & quality improvement, digitisation of reporting of safety observation through mobile application and Consequence management system.

TSPL has focused on elimination of hazard and improved safety by the infrastructure development such as erection of permanent platform to avoid work at height, replacing of machine guarding with 360 degree machine guarding, pedestrian pathway construction and Other Civil works such as rest shed construction, fencing of chemical tank area, covering 3km rainwater drain with RCC cover, pedestrian pathway in bulker parking yard and Work at height Platform for truck and tankers.

TSPL has made significant progress towards safety culture improvement by engaging all level of employees and contract partners and implemented safety performance standards & Housekeeping drive, imparting safety training by external agency and internal training.

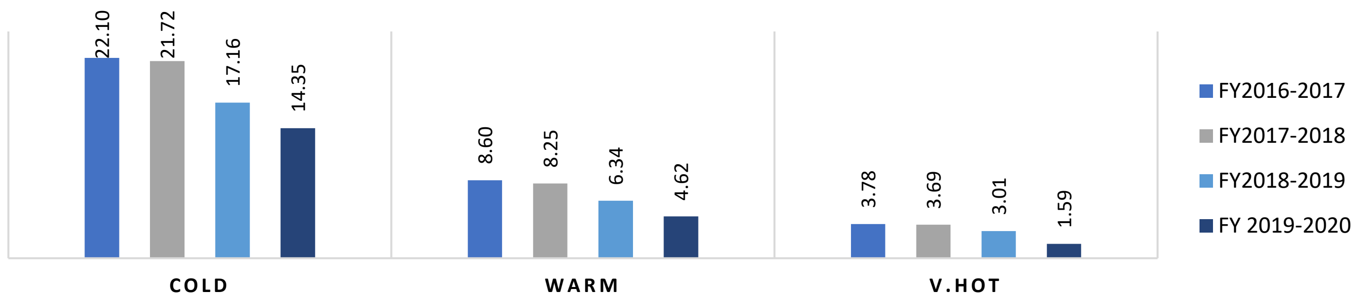
TSPL has zero liquid discharge system, equipped with Hybrid ESPs to control emission, HSCD system for Ash handling & disposal and state of art Dust extraction/ suppression.

Zero Waste:

- TSPL has taken various initiatives for fly ash utilization such as cement & brick manufacturing, road construction projects etc. Further, to promote fly ash utilization in the vicinity of the plant and to reduce the transportation of ash, TSPL has provided facilities to M/s Mittal Bricks Company to set up small fly ash-based brick manufacturing plant within the premises of the plant. By this, TSPL has achieved 100% utilization of fly ash generation for consecutive years of FY 18-19 & 19-20.

Zero discharge:

- TSPL is maintaining zero liquid discharge through recycling and reuse of treated wastewater. During the FY 19-20, about 14% water recycled of water consumed.
- Installed Reedbed technology i.e. natural eco-friendly sewage treatment plant to treat the sewage. This system reduces carbon footprint also.
- TSPL has taken various measures and reduced the start-up emissions period. Year-wise reduction trend as below.



- To further reduce the particulate matter emissions, modernization i.e. replacement of wire type emitting electrodes by spring type electrodes, modification for uniform gas distribution etc. has been done in Unit#3.

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, minimise and mitigate biodiversity risks throughout our business. The Company will manage and use land 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 where applicable.
- Identify and assess biodiversity status and value before the start of a new project and monitor impacts over the project lifecycle.
- Work towards the conservation of threatened/ rare and endemic species and high priority conservation areas and support local and national initiatives. The Company commits to providing information and raise awareness among our employees and other stakeholders to enhance knowledge and understanding of biodiversity and conservation issues where applicable.

Communities

AT TSPL, giving back to the communities is a crucial part of the Company's long-term business strategy. The Company's community initiatives are directed to aide social-economic development the surrounding communities in accordance with the national and international agendas. In the reporting year multiple initiatives focused on thrust areas of health, drinking water and sanitation, sports, livelihood and community development aligned to UN Sustainable Development Goals and CSR mandate of Companies Act, 2013 assisted meet community needs and engage with communities meaningfully.

TSPL's social initiatives have touched the lives of 24,761 beneficiaries across 26 villages in FY 2019-20 by investing ₹ 1.12 Cr on the focus areas. Details of the initiatives are mentioned in **Annexure - 1** of this Annual Report.

Corporate Social Responsibility

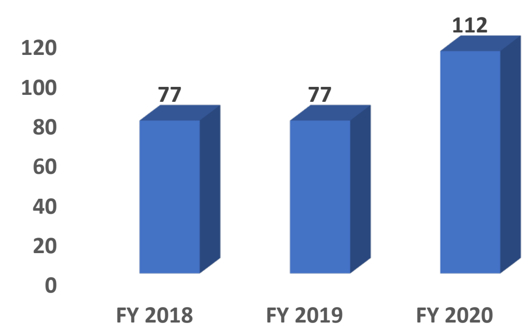
Extending the core values of care and respect beyond the plant boundaries, the company continued to make concerted efforts to sustainably improve the quality of life of communities through its corporate social responsibility initiatives. During the year under review, the interventions in health, drinking water, livelihood, sports, community development etc. have impacted the lives of 24,761 persons. These initiatives have been instrumental in the development of the area and positively impacting the lives of the beneficiaries. The projects were identified in consultation with the communities and implemented through people public private partnership thereby contributing towards Sustainable Development Goals and National Mission. These activities are in line with Schedule VII of the Companies Act, 2013.

Several opportunities were created for active participation of employees in social endeavours, nearly 500 man hours of employee volunteering was realised thereby strengthening the community connect. Our CSR initiatives are guided by the CSR Policy, Vedanta Sustainability Technical Standards for planning socio-economic development of the area.

Pursuant to the provisions of Section 135 of the Companies Act, the company has CSR policy in place and available on company's website at https://www.tsplindia.co/wp-content/uploads/2019/04/TSPL-CSR-Policy-2017-1.pdf .

In the given period, the Company spent ₹ 1.12 Crore on CSR activities details of which are covered in Annual Report on Corporate Social Responsibility Activities and forms part of this report as **Annexure - 1**.

CSR Spend (₹ in lacs)



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 – 2**.

Employee Information and related disclosures/ Particulars of Employees

The statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is appended as **Annexure - 3** to the Report.

The information, as per Rule 5(2) of the Rules, forms part of this Report. However, as per provision of Section 136 of the Act and Rule 5(2), the Report and the Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. The statement shall be available for inspection at the Company's Registered Office and any Member interested in obtaining a copy of the said statement may write to the Company Secretary.

Board of Directors and Key Managerial Personnel

Board of Directors

As on March 31, 2020, the company consists of following Directors on the Board:

S. No.	Name of Director	Designation
1	Mr. Agnivesh Agarwal	Non-Executive Director – Chairman
2	Mr. Vikas Sharma	Chief Executive Officer & 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

During the financial year ended March 31, 2020, following changes took place in the board of directors of the company

Appointments: Board of Directors in its meeting held on April 26, 2019 approved the appointment of Mr. Agnivesh Agarwal as Additional Director & Chairperson of the Company w.e.f. April 27, 2019 and Mr. Ajay Kapur as Additional Director (Whole-time Director) w.e.f. April 27, 2019, subject to approval of shareholders at its ensuing general meeting. Further, Board in its meeting held on October 22, 2019 approved the appointment of Mr. Vikas Sharma as Additional Director (Whole-time Director) of the Company w.e.f. October 23, 2019, subject to approval of shareholders at its ensuing General Meeting.

Re-appointments: 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 of Directors in its meeting held on April 26, 2019 took note of resignation of Mr. Ajay Kumar Dixit and Mr. Mansoor Siddiqi as Director of the Company effective from April 27, 2019

Further, Board in its meeting held on October 22, 2019 took note of resignation of Mr. Ajay Kapur as Whole-time Director of the Company effective from October 23, 2019.

Key Managerial Personnel (KMP)

As on March 31, 2020, the company consists of following Key Managerial Personnel:

S. No.	Name of KMP	Designation
1	Mr. Vikas Sharma	Chief Executive Officer & Whole-time Director
2	Mr. Sandeep Modi	Chief Financial Officer
3	Ms. Mansi Bhutani	Company Secretary & Compliance Officer

Appointments: Board of Directors in its meeting held on July 22, 2019 approved the appointment of Mr. Vikas Sharma as Chief Executive Officer of the Company w.e.f. July 22, 2019 and on August 12, 2019 approved the appointment of Mr. Sandeep Modi as Chief Financial Officer of the Company w.e.f. August 12, 2019.

Re-appointments: During the period under review, Mr. Chhavi Nath Singh was re-appointed as Manager of the Company w.e.f. April 26, 2019 till July 31, 2019.

Cessations: Board of Directors in its meeting held on July 22, 2019 took note of completion of tenure of Mr. Chhavi Nath Singh as Manager of the Company effective from close of business hours on July 31, 2019 and resignation of Mr. Rohit Agarwal as Chief Financial Officer of the Company effective from close of business hours on July 30, 2019.

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 2019-20.

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 31, 2020 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 by Independent Directors

All Independent Directors of the Company have submitted the requisite declarations 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.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

Annual Evaluation of Performance of Board as a Whole, its Committees and Individual Directors

The Nomination & Remuneration Committee has put in place a robust framework for evaluation of the Board as a whole, its Committees and Individual Directors.

The Board completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and Individual Directors, for the financial year 2019-20.

Structured questionnaires were circulated to all the Directors.

Performance of Board and its Committees was evaluated on the various parameters such as structure, composition, practices and quality of Board etc.

Performance of Individual Directors was evaluated based on the parameters such as preparation and participation, personality and conduct, quality of value addition etc.

Responses were analysed and results were discussed in the Nomination & Remuneration Committee and in the Board meeting held on May 18, 2020. Board discussed the performance evaluation reports of the board, its committees and individual directors and noted the suggestions/ inputs of the Independent Directors.

Overall evaluation of all the Directors, Board as a whole and its Committees have remained satisfactory during the financial year 2019-20.

Company's policy on Director's 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://www.tsplindia.co/wp-content/uploads/2019/04/Nomination-Remuneration-Policy-1.pdf

Listing fees

As on March 31, 2020, Non-Convertible Debenture amounting to ₹ 2,650 Crore (Rupees Two Thousand Six Hundred and Fifty Crore Only) 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 2019-20 to the Stock Exchange.

Audit Reports and Auditors

Audit Reports

- The Statutory Auditors' report for FY 2019-20 does not contain any qualification, reservation or adverse remark. The Auditors' report is enclosed with the financial statements in the Annual Report.
- The Secretarial Auditors' Report for FY 2019-20 in form MR-3 is enclosed as **Annexure - 4** to the Board's Report.

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 June 22, 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 enclosed to this Report. The observations made in their report read with notes to accounts are self-explanatory and therefore, do not call for any further comments or explanation under Section 134 (3)(f) of the Act.

Further to it, under clause (c) 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 2019-20.

The Company has received a certificate that they are not disqualified and continue to remain eligible to act as the auditors of the company.

The auditors have also furnished a declaration confirming their independence to the company. The Audit Committee reviews the independence and objectivity of the auditors and the effectiveness of the audit process.

Cost Auditor

In accordance with Section 148 of the Companies Act, 2013 read with rules made thereunder, your company is required to have the audit of cost records relating to electricity generation for the financial year 2019-20 conducted by a Cost Accountant in practice.

The Board, on recommendation of Audit Committee, has appointed M/s K G Goyal & Co., Practicing Cost Accountants (Firm Registration No. 000017) as the Cost Auditor of the Company for the financial year 2019-20 at a remuneration approved by Board and ratified by Members of the Company at the 12th AGM.

The company had received a certificate confirming their eligibility and consent to act as the Auditors.

The cost accounts and records of the company are duly prepared and maintained by the company as required under Section 148(1) of the Act pertaining to cost audit.

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 re-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 2019-20.

The Secretarial Audit Report for the financial year 2019-20 forms part of the Board Report as **Annexure – 4** and confirms that the company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines except delay in filing of forms in few cases. Board explained the same as because of administrative/ technical issues.

The company had received a certificate confirming their eligibility and consent to act as the Auditors.

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

With the effective implementation of the automated compliance management tool "e-nForce Plus", the company has remained committed to its compliance obligations. TSPL has a robust compliance framework which involves self-reporting by the respective departments on monthly/quarterly/half-yearly/annual basis. The internal compliance team/ third party verify the compliance status submitted by the process owners and observations are corrected in a time bound manner by taking mitigative/remedial measures by the respective departments. In furtherance to the same, regular audits by Internal Audit team and Third Party Audit team are conducted by TSPL to understand the gaps and take corrective measures to strengthen the compliance framework. All the non-compliances along with the action plan are presented to the Board on a quarterly basis. Code of Conduct, which forms an essential wing of the compliance framework, has been ensured through continuous sessions of awareness and knowledge sharing to the stakeholders of the organization.

Corporate Governance

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, marked as Report on Corporate Governance:

- Company Philosophy on Corporate Governance
- Meeting of Board of Directors and their attendance at the meetings held during financial year 2019-20
- Meeting of Committees of Board of Directors and their meetings held during the financial year 2019-20
- Composition of Committees of Board
- General Body Meetings and Special Resolutions passed thereat
- Disclosures
- Means of Communication
- General Shareholders Information

Acknowledgement

The board of directors wishes to place on record their deep appreciation to the Central Government, State Government, 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.

The Board also extends its appreciation to employees at all levels for their continuing support, unstinting efforts and commitment towards the company in ensuring the performance of the company both financially as well as operationally.

The Directors would also like to thank our Stakeholders, Customers, Business Partners, Vendors, Bankers, Financial Institutions, Academic Institutions, Investors and others associated with the Company.

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

Agnivesh Agarwal	**Vikas Sharma**
Chairman	**Whole-time Director**
DIN: 00038950	**DIN: 00761202**
Place: Dubai, UAE	Place: Mansa
Date: May 18, 2020	Date: May 18, 2020

ANNUAL REPORT ON CSR ACTIVITIES
As per Section 135 of Companies Act, 2013

Annexure - 1

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 Corporate Social Responsibility (CSR) Policy adopted by the Board of Directors on October 24, 2017 guides the CSR interventions of the company. The Policy is available for public on the Company's website www.tsplindia.co. The focus areas are identified as- Health, Education and Livelihoods. The Company's CSR policy and initiatives delineate the vision, mission, thrust areas and key requirements aligned with the Schedule VII of Section 135 of the Companies Act.
2.	The composition of the CSR committee	In terms of Section 135 of the Act, the Corporate Social Responsibility Committee, as on March 31, 2020 comprised of 3 Directors – 1. Mr. Gurminder Singh Kang - Chairperson 2. Ms. Mala Todarwal - Member 3. Ms. Pooja Somani – Member The committee provides key insights and reviews the CSR performance around the year that help to support and enhance our social commitment.
3.	Average net profit of the Company for last three financial years.	₹ (100) 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	N.A.
(b)	Amount unspent, if any	N.A.

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

S. No.	*CSR project or activity identified*	*Sector in which the project is covered*	*Project or the programs*		*Amount outlay (budget) project or programs wise (Amount in ₹ lacs)*	*Amount spent on the projects or programs Subheads: (Amount in ₹ lacs)*		*Cumulative expenditure up to the reporting period (Amount in ₹ lacs)*	*Amount spent Direct or through implementing agency*
			Local Area or other	*State and district where projects or programs was undertaken*		*Direct expenditure on projects or programs*	*Overheads*		
1	Eye Check-up Camps	Health Care	Local area	Mansa	6.30	0.00	0.00	0.00	
2	Blood Donation Camps		Local area	Mansa	0.30	0.16	0.16	0.16	Direct
3	Clinical Health Services		Local area	Mansa	19.00	13.49	0.00	13.49	Ivy Health and Life Sciences Private Limited
4	COVID – 19 Relief measures		Local area	Mansa & Bathinda	0.00	2.00	0.00	2.00	Direct
5	Sustainable Agriculture Promotion Project	Agriculture & Animal Husbandry	Local area	Mansa & Bathinda	23.00	16.32	0.00	16.32	The Nabha Foundation
6	Installation and Repair of RO Purifiers	Drinking Water & Sanitation	Local area	Mansa	38.00	11.40	0.00	11.40	RAB and Company, Tez Engineering and Infrastructures Private Limited
7	Organizing & Supporting Sports Events	Sports & Culture	Local area	Mansa	6.80	5.26	0.00	5.26	Direct, RAB and Company
8	Construction of road	Rural community development	Local area	Mansa	36.00	20.23	0.00	20.23	Tez Engineering and Infrastructures Private Limited
9	Community Parks		Local area	Mansa	4.00	6.71	0.00	6.71	RAB and Company
10	Integrated School Development Program		Local area	Mansa	6.00	5.46	0.00	5.46	Tez Engineering and Infrastructures Private Limited
11	Rainwater Harvesting project		Local area	Mansa	6.60	5.50	0.00	5.50	RAB and Company

12	Audit, Awards, Reporting	Program & Administration	Local area	Mansa	8.00	8.08	0.00	8.08	Direct, Central University of Punjab, Subhash Mittal and Associates, Nextgen Project Management Systems
13	CSR Personnel Expenditure		Local area	Mansa			17.61	17.61	
Total					**154.00**	**94.61**	**17.61**	**112.22**	

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 didn't have average net profit of last three years, hence, it is not mandatory to spend two percent of the average net profit. However, it spent ₹ 1.12 crore on CSR activities, voluntarily in FY 2019-20.
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.	We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the Corporate Social Responsibility Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives and CSR Policy of the Company.

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

Gurminder Singh Kang
Chairman – CSR Committee
Independent Director
DIN: 02818868

Place: Patna
Date: May 18, 2020

Vikas Sharma

CEO & Whole-time Director
DIN: 00761202

Place: Mansa
Date: May 18, 2020

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Annexure - 2

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:

Steps taken or impact on conservation of energy:

- Formulation of young and innovative Energy management committee comprising of trained & experienced Energy Champions from each area.
- Your company has continued certification for Energy management system as per guidelines of EnMS 50001-2018 from BSI India
- Energy savings of more than 1.03 Million GJ achieved in FY'20 through various OPEX & CAPEX projects.
- Fly ash utilization continues to be key priority area for the company. Fly Ash Utilization of 107% achieved in FY'20 thereby reducing auxiliary power consumption and generating revenue for the company through sale of Dry Fly Ash (DFA)
- Energy performance indicators identified with yearly targets; all areas objectives and targets linked with energy performance.
- Key focus areas are identified, and improvement projects are in pipeline to further reduce the energy consumption of the company.
- Identified 15 nos of major energy savings projects out of which 43% are completed, 40 % are under progress and 17% are in conceptual stage.
- Improvement in start up time to reduce emissions and oil consumption by approx. 27%

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

- 30 Kwp solar roof top panel made operational in July'17. 12326 units of clean energy generated so far in FY 20.

Capital Investment on Energy Conservation Equipment:

- Installation of Variable frequency drive (VFD) in CEP Pumps in 1 unit – ₹ 201 Lacs

Technology Absorption

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

- Power Digitalization project completed with facility of online dash boards, report automation, diagnostic tools, alert / alarm management and performance models.
- Second phase of digitalization includes implementation of advance pattern recognition (APR) program. This program enables early detection of anomalies to minimize secondary damage and improve plant availability.
- Safety App Implementation (TARANG) to ensure real time safety monitoring and real time safety dashboard.
- Implementation of BRS (Bank Reconciliation System) in SAP
- HCI Server implementation with office 365 for risk management.
- Completed weighbridge automation and invoicing
- Implementation of SAP ARIBA

Any benefit derived like product improvement, cost reduction, product development and import substitution:
Your company is already in discussions with CIL for imported coal substitution for savings of precious foreign exchange. Cost reduction initiatives include

- HPH charging before unit synchronization to reduce oil consumption during unit light up
- Process improvement to reduce Turbine casing temperature quickly to ensure savings of 2-3 days during unit annual overhaul there by improving unit availability
- Coal burners refurbishments (15 nos) to reduce spares cost
- Reduction in coal leakages from 1.9% (Q1) to 0.69% (YTD)
- Indigenization of spares, Reverse Auction and consolidation of POs through ARCs leading to savings of ₹ 0.6 Cr

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

Expenditure incurred on Research and Development: NA

Annexure - 3

Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Requirement	Name of Director *Category*	Ratio
Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Vikas Sharma *Whole time Director*	19.98
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Vikas Sharma *Whole-time Director & Chief Executive Officer*	10%
	Mr. Chhavi Nath Singh *COO & Manager*[1]	Nil
	Mr. Sandeep Modi *Chief Financial Officer*	11%
	Mr. Rohit Agarwal *Chief Financial Officer*[2]	Nil
	Ms. Mansi Bhutani *Company Secretary & Compliance Officer*	13.25%
Percentage increase in the median remuneration of employees in the financial year		15.8%
Number of permanent employees on the rolls of company		70
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increment for Managerial Personnel (M4 & Above): 5.01% Average percentage increment for Non-Managerial Personnel (M5 & Below): 5.02%	
Affirmation that the remuneration is as per the remuneration policy of the Company		Yes

[1] Mr. C. N. Singh completed his tenure as Manager on July 31, 2019

[2] Mr. Rohit Agarwal resigned from the position of CFO w.e.f. close of business hours on July 30, 2019

Form MR-3

Annexure - 4

Secretarial Audit Report
For the Financial Year ended March 31, 2020

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, 2020 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, 2020 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 and notified by Ministry of Corporate Affairs.
   (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except delay filing of forms in few cases.

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 atleast seven days in advance except in case where meetings were convened at shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All 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, no 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.

For Chandrasekaran Associates
Company Secretaries

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

Date:
Place:

Note:

(i) 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.

(ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

(iii) This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is timeline to comply with such compliances.

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:
Place: New Delhi

FORM MGT-9

Annexure - 5

EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2020

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.
KFin Technologies Private Limited	Karvy Selenium, Tower B, Plot 31-32, Financial District, Nanakramguda, Hyderabad – 500032	Tel: +91 40 6716 2222, 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*	5	1	6	0.00	5	1	6	0.00	0
Central Government/ State Government	0	0	0		0	0	0	0	0
Bodies Corporate	3,206,609,686	0	3,206,609,686	100	3,206,609,686	0	3,206,609,686	100	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)	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**3,206,609,691**	**1**	**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)	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**3,206,609,691**	**1**	**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**	**0**	**0**
Total Public Shareholding (B)=B(1)+B(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total (A+B)	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**3,206,609,691**	**1**	**3,206,609,692**	**100**	**0**

**6 Individual Shareholders are the Nominee Shareholders, who do not hold any beneficial interest in these shares. Vedanta Limited holds 100 % shareholding of the Company.*

b. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			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, 2019)		Cumulative holding during the year (2019-20)	
	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, 2019)		Cumulative holding during the year (2019-20)	
	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 (01/04/2019)		Cumulative Shareholding during the year (2019-20)	
	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%	2	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%**	**2**	**0.0000001%**

**Director/ KMPs holding shares as at the end of the FY 2019-20 are the Nominee Shareholders, who do not hold any beneficial interest in these shares. Vedanta Limited holds 100 % shareholding of the Company.*

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 (01/04/2019)				
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**
Change in indebtedness during the year (2019-20)				
Addition	-	6,65,870.43	-	6,65,870.43
Reduction	1,06,466.99	6,72,063.03	-	7,78,530.02
Net Change relating to principle amount	**(1,06,466.99)**	**(6,192.60)**	**-**	**(1,12,659.59)**
i. Principal Amount	6,08,768.31	1,44,000.00	-	7,52,768.31
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	19,172.61	6,418.38	-	25,590.99
Total (i + ii + iii)	**6,27,940.92**	**1,50,418.37**	**-**	**7,78,359.30**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Whole-time Director/ Managing Director/ Manager

S. No.	Particulars of Remuneration	Mr. Vikas Sharma CEO & WTD[1]	Mr. C. N. Singh Manager[2]	Mr. Ajay Kapur WTD[3]	Mr. Ajay Kumar Dixit WTD[4]
Gross Salary				-	-
1.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,22,70,564	1,21,47,389		
2.	Value of Perquisites u/s 17(2) of Income-tax Act, 1961	3,00,000	4,25,778		
3.	Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-		
Stock Options		-	-	-	-
Sweat Equity		-	-	-	-
Commission		-	-	-	-
1.	as % of profits				
2.	Others, specify				
Others, please specify (PF, Superannuation, Medical and LTA)		11,30, 277	7,82,271	-	-
Total		**1,37,00,841**	**1,33,55,438**	-	-
Overall Ceiling as per Act					

1 Mr. Vikas Sharma appointed as CEO w.e.f. July 22, 2019 and as WTD w.e.f. October 23, 2019. Also, pursuant to Section 197(14), he is not receiving any remuneration or commission from the holding company

2 Mr. C. N. Singh completed his tenure as Manager on July 31, 2019

3 Mr. Ajay Kapur appointed as WTD from April 27, 2019 till October 22, 2019 and no remuneration was paid to Mr. Kapur from TSPL

4 Mr. Ajay Kumar Dixit ceased to be WTD w.e.f. April 27, 2019 and no remuneration was paid to Mr. Dixit from TSPL

Remuneration to Other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Agnivesh Agarwal	Mr. G. S. Kang	Mr. S. K. Roongta	Ms. Mala Todarwal	
	Independent Directors					
1.	Fee for attending Board Meetings		3,50,000/-		3,50,000/-	7,00,000/-
2.	Fee for attending Committee Meetings		2,05,000/-		2,25,000/-	4,30,000/-
3.	Commission		Nil		Nil	Nil
4.	Others, please specify		Nil		Nil	Nil
Total (1)			**5,55,000/-**		**5,75,000/-**	**11,30,000/-**
	Non – Executive Directors					
1.	Fee for attending Board Meetings	3,00,000/-		3,50,000/-		6,50,000/-
2.	Fee for attending Committee Meetings	Nil		1,00,000/-		1,00,000/-
3.	Commission	Nil		Nil		Nil
4.	Others, please specify	Nil		Nil		Nil
Total (2)		**3,00,000/-**		**4,50,000/-**		**7,50,000/-**
Total (1+2)		**3,00,000/-**	**5,55,000/-**	**4,50,000/-**	**5,75,000/-**	**18,80,000/-**
Overall Ceiling per meeting of Board/ Committee as per the Companies Act, 2013		*1,00,000/-*	*1,00,000/-*	*1,00,000/-*	*1,00,000/-*	

Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

S. No.	Particulars of Remuneration	Mr. Sandeep Modi CFO[1]	Mr. Rohit Agarwal CFO[2]	Ms. Mansi Bhutani CS
Gross Salary				
1.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	69, 53,368	46, 59,079	7,36,914
2.	Value of Perquisites u/s 17(2) of Income-tax Act, 1961	1,75,000	51,023	40,616
3.	Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
Stock Options		5,42,784	-	-
Sweat Equity		-	-	-
Commission		-	-	-
1.	as % of profits			
2.	Others, specify			
Others, please specify (PF, Superannuation, Medical and LTA)		7,26,448	1,86,435	56,480
Total		**83,97,600**	**48,96,537**	**8,34,010**

1 Mr. Sandeep Modi appointed as CFO w.e.f. August 12, 2019

2 Owing to resignation, Mr. Rohit Agarwal ceased to be CFO w.e.f. close of business hours on July 30, 2019

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 create and sustain a deep relationship of trust and transparency with our stakeholders. Our governance philosophy reflect out commitment to disclose timely and accurate information regarding our financial and operational performance.

The vision is to become the best performing & the most competitive power plant in India with world-class sustainability practices aided by technology, innovation and strong governance framework with aim to partnering in progress of the nation.

The mission of the company is to power India's growth by sustainable technologies that efficiently utilize energy resources embracing Vedanta's core values.

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.

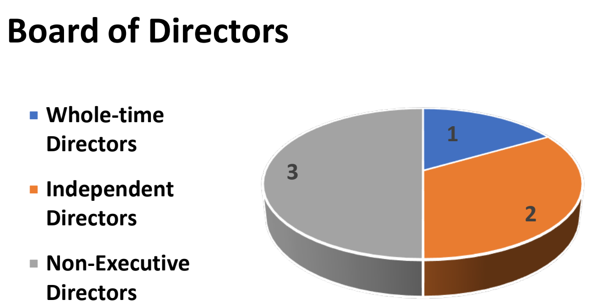
We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

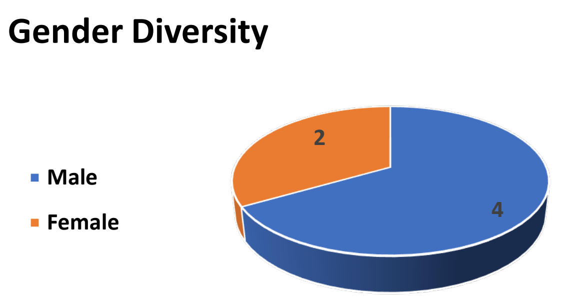
BOARD OF DIRECTORS

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.





Chairman

Agnivesh Agarwal

- Mr. Agnivesh Agarwal, aged 42 years, joined Talwandi Sabo Power Limited as Director and Chairperson of the Company on April 27, 2019.
- He has more than a decade of rich experience in the corporate sector with a strong knowledge of business operations and in-depth experience in managing projects.
- Mr. Agarwal holds a bachelor's degree in business administration from University of Mumbai.

CEO & Whole-time Director

Vikas Sharma

- Mr. Vikas Sharma, aged 55 years, joined Talwandi Sabo Power Limited as Chief Executive Officer (CEO) w.e.f. July 22, 2019 and thereafter on October 23, 2019, was on boarded as Whole-time Director of the Company designated as CEO & WTD.
- Mr. Sharma brings with him 30 years of rich and diverse experience in the areas of HSE, Operational Excellence, Ethics, Governance and Stakeholders' Management and has worked across large conglomerates like HMT, Praxair, JSW and AMP (now Tyco).
- Mr. Sharma is a Mechanical Engineer from Engineering College, Kota and a holder of Master's degree in Marketing from Sikkim Manipal University.

Independent Director

Gurminder Singh Kang

- Mr. Gurminder Singh Kang, aged 74 years, has been on the Board of Talwandi Sabo Power Limited since July, 2011 as Non-Executive Director of the Company and thereafter, appointed as an Independent Director of the Company with effect from March 31, 2015.
- Mr. Kang was a member of Indian Administrative Services and retired as Chief Secretary in September, 2006.
- Mr. Kang holds a master's degree in History and English from University of Punjab.

Independent Director

Mala Todarwal

- Ms. Mala Todarwal, aged 34 years, has been on the Board of Talwandi Sabo Power Limited as an Independent Director since March 31, 2015.
- She has a rich experience over 13 years in the field of audit assurance, corporate restructuring, valuations, due diligence and taxation.
- Ms. Todarwal is a member of The Institute of Chartered Accountants of India and partner of Arun Todarwal & Associates LLP, a Mumbai-based firm of Chartered Accountants

Non-Executive Director

Sushil Kumar Roongta

- Mr. Sushil Kumar Roongta, aged 68 years, has been on the Board of Talwandi Sabo Power Limited as Non-Executive Director since January, 2012.
- He has a rich experience of over 47 years and served various vital positions across divisions and locations with key focus on strategy, marketing, turnaround management and business development.
- Mr. Roongta is a holder of Bachelor's Degree in Electrical Engineering from Birla Institute of Technology and Science, Pilani and a gold medalist in Post Graduate Diploma in Business Management – International Trade from Indian Institute of Foreign Trade, New Delhi.

Non-Executive Director

Pooja Somani

- Ms. Pooja Somani, aged 36 years, has been on the Board of Talwandi Sabo Power Limited as Non-Executive Director since March 31, 2015.
- Ms. Somani joined Vedanta Group in October, 2004 and since then held a variety of financial appointments in the areas of business development, mergers & acquisitions, corporate finance, audit & accounting and corporate strategy.
- Ms. Somani is a fellow Member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.

Composition, Directorship and Meetings:

The Company's board is an optimum mix of Executive, Non-Executive and Independent Directors and conforms with the provisions of the Companies Act, 2013. The Board comprise of six Directors which includes a Chairman (Non-Executive), One Whole-time Director, Two Independent Directors and Two Non-Executive Directors.

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 Company's Board members are from diverse backgrounds with skills and experience in Corporate Strategy, Operational Excellence, Stakeholders' Management, Corporate restructuring, Mergers & Acquisitions, Taxation, Marketing, turnaround management and business development.

Board Meetings Schedules and Agenda:

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. Time gap between two consecutive meetings does not exceed 120 days. In case of necessity, additional meetings of the Board are called.

The Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee Meetings are generally held on the same dates as Board Meetings. To ensure an immediate update to the Board, the Chairman of the respective committees briefs the Board about the proceedings of the respective committee meetings.

The detailed agenda papers along with the supporting annexures for the meetings are provided well in advance for the meeting of Board and Committees. In special and exceptional circumstances, additional or supplementary agenda item(s) are permitted to be taken up as 'any other item'.

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 2019-20, seven meetings of Board of Directors were held on April 26, 2019, July 22, 2019, August 12, 2019, August 27, 2019, October 22, 2019, November 20, 2019 and January 17, 2020. The gap between any two consecutive meetings of the Board was not more than one hundred and twenty days (120 days).

During 2019-20, 4 matters were approved by Board of Directors and 4 matters by Audit Committee by means of resolution by circulation.

Attendance of Directors at the Board Meetings and Annual General Meeting held during FY 2019-20:

Name of Director	Category	Number of other directorships as on March 31, 2020*	Board Meetings during the FY 2019-20 Attended (held)	Attendance at last AGM held on June 28, 2019
Mr. Agnivesh Agarwal[1] DIN:00038950	Non-Executive Director	1	6 (6)	Yes
Mr. Vikas Sharma[2] DIN: 00761202	Whole-time Director & CEO	Nil	2 (2)	NA
Mr. Gurminder Singh Kang DIN: 02818868	Independent Director	1	7 (7)	Yes
Ms. Mala Todarwal DIN: 06933515	Independent Director	7	7 (7)	No
Mr. Sushil Kumar Roongta DIN:00309302	Non-Executive Director	8	7 (7)	No
Ms. Pooja Somani DIN: 07131449	Non-Executive Director	Nil	6 (7)	Yes
Mr. Ajay Kumar Dixit[3] DIN: 03086605	Whole-time Director	NA	1 (1)	NA
Mr. Mansoor Siddiqi[4] DIN: 01256089	Non-Executive Director	NA	0 (1)	NA
Mr. Ajay Kapur[5] DIN:03096416	Whole-time Director	NA	4 (4)	Yes

Notes:

*The directorships mentioned above does not include the directorships held in foreign companies and Talwandi Sabo Power Limited

[1]Mr. Agnivesh Agarwal was appointed on Board effective April 27, 2019 and thereafter, 6 meetings of Board of Directors were held during his tenure

[2]Mr. Vikas Sharma was appointed on Board effective October 23, 2019 and thereafter, 2 meetings of Board of Directors were held during his tenure

[3]Mr. Ajay Kumar Dixit ceased to be Director on Board effective April 27, 2019 and only 1 meeting of Board of Directors was held during his tenure

[4]Mr. Mansoor Siddiqi ceased to be Director on Board effective April 27, 2019 and only 1 meeting of Board of Directors was held during his tenure

[5]Mr. Ajay Kapur was appointed on Board effective April 27, 2019 and ceased to be Director effective October 23, 2019 and 4 meetings of Board of Directors were held during his tenure.

Details of Board Meetings held during FY 2019-20:

Name of Director / Date of Meeting	Mr. Agnivesh Agarwal	Mr. Vikas Sharma	Mr. Gurminder Singh Kang	Ms. Mala Todarwal	Ms. Pooja Somani	Mr. Sushil Kumar Roongta	Mr. Ajay Kumar Dixit	Mr. Mansoor Siddiqi	Mr. Ajay Kapur
April 26, 2019	NA	NA	✓	✓	✓	✓	✓	×	NA
July 22, 2019	✓	NA	✓	✓	×	✓	NA	NA	✓
August 12, 2019	✓	NA	✓	✓	✓	✓	NA	NA	✓
August 27, 2019	✓	NA	✓	✓	✓	✓	NA	NA	✓
October 22, 2019	✓	NA	✓	✓	✓	✓	NA	NA	✓
November 20, 2019	✓	✓	✓	✓	✓	✓	NA	NA	NA
January 17, 2020	✓	✓	✓	✓	✓	✓	NA	NA	NA

× Leave of absence was granted to Ms. Pooja Somani and Mr. Mansoor Siddiqi

Details of Membership/ Chairmanship of Directors in Committees of Board as on March 31, 2020:

Name of Director	Category*	Details of Committees			
		Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Committee of Directors
Mr. Agnivesh Agarwal	NED	-	-	-	-
Mr. Vikas Sharma	WTD	Member	-	-	Member
Mr. Gurminder Singh Kang	ID	Chairperson	Chairperson	Chairperson	-
Ms. Mala Todarwal	ID	Member	Member	Member	Member
Mr. Sushil Kumar Roongta	NED	-	Member	-	-
Ms. Pooja Somani	NED	-	-	Member	Member

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

Notes:

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: https://www.tsplindia.co/wp-content/uploads/2019/04/Appointment_of_Independent_Director-1.pdf

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

Name of Director	Number of Shares held during FY 2019-20	Number of convertible instruments held during FY 2019-20
Mr. Agnivesh Agarwal DIN:00038950	NIL	NIL
Mr. Sushil Kumar Roongta DIN: 00309302		
Ms. Pooja Somani DIN: 07131449		

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.

Independent Directors:

In compliance with the Section 149 (6) of the Companies Act, 2013, the Board consists of 2 (two) Independent Directors. The Company has issued letters of appointment to all Independent Directors that sets out the roles, functions, duties and responsibilities and performance evaluation process.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and that he/she meets the eligibility criteria. The declaration is also placed before the Board for information.

Separate Meeting of Independent Directors:

During FY 2019-20, one meeting of Independent Directors of the Company was held without the attendance of Non-Independent Directors and management of the Company on January 17, 2020 to discuss matters relating to performance of the Company, Committees of Board, Individual Directors, flow of information to the Board etc.

COMMITTEES 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 respective 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.

In compliance with the statutory requirements, the Board has constituted four committees with specific terms of reference and scope:

Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Committee of Directors
1. Mr. Gurminder Singh Kang 2. Ms. Mala Todarwal 3. Mr. Vikas Sharma	1. Mr. Gurminder Singh Kang 2. Ms. Mala Todarwal 3. Mr. Sushil Kumar Roongta	1. Mr. Gurminder Singh Kang 2. Ms. Mala Todarwal 3. Ms. Pooja Somani	1. Mr. Vikas Sharma 2. Ms. Mala Todarwal 3. Ms. Pooja Somani
Chairperson *Mr. Gurminder Singh Kang*	*Chairperson* *Mr. Gurminder Singh Kang*	*Chairperson* *Mr. Gurminder Singh Kang*	*Chairperson* *Elected by Members*

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

- Investigate any activity within its terms of reference
- Seek any information that it requires from any employee of the company, and all employees are directed to cooperate with any request made by the Committee
- Obtain outside legal or other professional advice
- Secure attendance of outsiders with relevant expertise
- Access sufficient resources to carry out its duties

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 meets the requirements of Section 177 of the Companies Act, 2013. As on March 31, 2020, Audit Committee comprises of two Non-Executive Directors and one Whole-time Director and Chairperson being the Non-Executive Independent Director. All the members of the Audit Committee are financially literate.

The Company Secretary is the Secretary to the Committee. The CFO, CEO, MAS team and Statutory Auditors are the permanent invitees to the Audit Committee Meetings.

During the financial year 2019-20, four (4) Audit Committee Meetings were held on April 26, 2019, July 22, 2019, October 22, 2019 and January 17, 2020 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 2019-20:

Name of Director	Category	Meetings held during FY 2019 -20 Attended (held)
Mr. Gurminder Singh Kang	Independent Director	4 (4)
Ms. Mala Todarwal	Independent Director	4 (4)
Mr. Vikas Sharma[1]	Whole-time Director	1 (1)
Mr. Ajay Kapur[2]	Whole-time Director	2(2)
Mr. M Siddiqi[3]	Non-Executive Director	0(1)

[1]Mr. Vikas Sharma became member of Audit Committee effective October 23, 2019 and thereafter, 1 meeting of Audit Committee was held during his tenure

[2]Mr. Ajay Kapur became member of Audit Committee effective May 7, 2019 and thereafter, 2 meetings of Audit Committee were held during his tenure

[3]Mr. M Siddiqi ceased to be member of Audit Committee effective April 27, 2019 and 1 meeting of Audit Committee was held during his tenure.

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 meets the requirements of Section 178 of the Companies Act, 2013. As on March 31, 2020, Nomination & Remuneration Committee comprises of three Non-Executive Directors and Chairperson being an Independent Director.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the Nomination & Remuneration Committee Meetings.

During the financial year 2019-20, four (4) meetings of Nomination & Remuneration Committee were held on April 26, 2019, July 22, 2019, August 12, 2019 and October 22, 2019.

Attendance of Directors at the Nomination & Remuneration Committee Meetings held during the FY 2019-20:

Name of Director	Category	Meetings held during FY 2019-20 Attended (held)
Mr. Gurminder Singh Kang	Independent Director	4 (4)
Ms. Mala Todarwal	Independent Director	4 (4)
Mr. Sushil Kumar Roongta	Non-Executive Director	4 (4)

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 2019-20.

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 meets the requirements of Section 135 of the Companies Act, 2013. As on March 31, 2020, the CSR Committee comprises of three Non-Executive Directors and Chairperson being the Non-Executive Independent Director.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the Corporate Social Responsibility Committee Meetings.

During the financial year 2019-20, two (2) Meetings of Corporate Social Responsibility Committee were held on April 26, 2019 and October 22, 2019 respectively.

Attendance of Directors at Corporate Social Responsibility Committee Meetings held during the FY 2019 - 20:

Name of Director	Category	Meetings held during FY 2019-20 Attended (held)
Mr. Gurminder Singh Kang	Independent Director	2 (2)
Ms. Mala Todarwal	Independent Director	2 (2)
Ms. Pooja Somani	Non-Executive Director	1 (2)

Committee of Directors

To cater various day to day requirements and to facilitate seamless operations, the company has formed a Committee known as Committee of Directors. The Committee meets as and when deem necessary to cater to the company's day to day requirements of the company.

Composition and Meetings of Committee of Directors

The Committee comprise of one Whole-time Director and two Non-Executive Directors.

The Company Secretary is the Secretary to the Committee. The CFO, CEO are the permanent invitees to the Committee Meetings.

During the financial year 2019-20, the committee met two (2) times on September 17, 2019 and November 26, 2019.

Attendance of Directors at Committee of Directors Meetings held during the FY 2019 - 20:

Name of Director	Category	Meetings held during FY 2019 -20 Attended (held)
Mr. Vikas Sharma[1]	Whole-time Director	1 (1)
Ms. Mala Todarwal	Independent Director	2 (2)
Ms. Pooja Somani	Non-Executive Director	2 (2)
Mr. Ajay Kapur[2]	Whole-time Director	1(1)

[1]Mr. Vikas Sharma became member of Committee of Directors effective October 23, 2019 and thereafter, 1 meeting of Committee of Directors was held during his tenure

[2]Mr. Ajay Kapur became member of Committee of Directors effective May 7, 2019 and thereafter, 1 meeting of Committee of Directors was held during his tenure

GENERAL BODY MEETINGS

Details of last three Annual General Meetings:

Year	AGM	Day, Date & Time	Venue	Special Resolutions passed
2018-19	12th AGM	Friday, June 28, 2019, 12 PM	Village Banawala, Talwandi Sabo Road, Dist. Mansa, Punjab – 151302, India	▪ Re-appointment of Mr. Chhavi Nath Singh as Manager of the Company
2017-18	11th AGM	Friday , June 22, 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, June 23, 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

Special Resolution by Postal Ballot:

During the financial year 2019-20, no special resolution has been passed through the exercise of postal ballot.

Details of Extra – Ordinary General Meeting held during the financial year 2019-20:

During the financial year 2019-20, 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.

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 ▪ 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 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	▪ Minimum no. of Directors ▪ 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
10.	Other Corporate Governance Requirements		Yes	▪ Filing of Forms & Returns ▪ Maintenance of Registers & Records ▪ Intimations to Investors

MEANS OF COMMUNICATION

Financial Results: The 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 2019-20: It is scheduled to be held on July 23, 2020 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.

Registrar and Transfer Agent:
KFin Technologies Private Limited
Karvy Selenium, Tower B, Plot 31&32, Financial District, Nanakramguda, Hyderabad 500032, India
Tel: +91 40 6716 2222, Toll Free No.: 1800 425 8998
Fax: +91 40 2311 4087
Website: www.kfintech.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, 2020:

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. G Sambasiva Rao		22nd January, 2018	1
3	Mr. Vijay Ingole		24th January, 2019	1
4	Mr. Vikas Sharma		27th August, 2019	1
5	Mr. Sandeep Modi		27th August, 2019	1
6	Mr. Khirod Kumar Barik		27th August, 2019	1
7	Mr. Pankaj Kumar Sharma		17th January, 2020	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	INE694L07107	04.08.2017	04.08.2020	7.85%	5,000	500
2	INE694L07115	23.04.2018	23.04.2021	8.55%	10,000	1,000
3	INE694L07123	30.07.2018	30.07.2021	9.23%	10,000	1,000
4	INE694L07131	30.11.2018	30.11.2020	9.00%	1,500	150

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, **Vikas Sharma**, hereby declare that all the Members of Board and Key Managerial Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the financial year 2019-20.

For Talwandi Sabo Power Limited

Vikas Sharma
CEO & Whole-time Director

Place: Mansa
Date: May 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENT

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 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

Emphasis of Matter

We draw attention to Note 45 to the accompanying Ind AS financial statements which, describes the uncertainties caused to the business due to the effects of Covid-19 and delay in installation of Flue Gas Desulphurization ('FGD') by the company. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition and Recoverability of disputed receivables *(as described in notes 2.D, 4, 11, 23 and 42 of the financial statements)*	
As at March 31, 2020, receivables aggregating to ₹ 1,685 crore were outstanding on account of disputes with the Company's sole customer, Punjab State Power Corporation Limited (PSPCL). In assessing the appropriateness of recognition of revenue and for assessing the recoverability of these receivables, management exercised significant judgements to evaluate: • The probable outcome of PSPCL's claim of a force majeure. • The results of the litigation based on the status of the legal proceedings.	Our procedures included the following: • Examined the underlying power purchase agreement and verified relevant clauses for calculations of tariff for billing as part of determination of price & other entitlements of the Company; • Performed walkthroughs and test of controls, assisted by IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls. • Examined invoice samples to ensure that revenue has been correctly recognised.

The judgements applied by management have a significant impact on the level of provision required for trade receivables.	• 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; • Assessed the competence and objectivity of the external counsels, to satisfy ourselves that these parties are suitable in their roles; • Evaluated management's assessment of recoverability and provisioning of receivables.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

per Naman Agarwal
Partner
Membership Number: 502405
UDIN:

Place of Signature: New Delhi
Date: May 18, 2020

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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and 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, customs duty, goods and service tax and other material statutory dues applicable to it. The provisions relating to employee state insurance, sales tax, service tax, cess, 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, customs duty, goods and service tax 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, service tax, cess, 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 crore)	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 ₹ 1.49 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 bank, financial institution or dues to debenture holders, based on the revised repayment schedules, for some such loans, which has been drawn after taking effects of moratorium granted by the banks and availed by the company, in view of the Covid-19 pandemic. The Company did not have any outstanding dues to government, during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and 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 No.: 502405
UDIN:

Place of Signature: New Delhi
Date: May 18, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALWANDI SABO POWER LIMTED

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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated 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 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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
UDIN:

Place of Signature: New Delhi
Date: May 18, 2020

BALANCE SHEET
As at March 31, 2020

₹ in Cr

	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	9,546.85	9,941.96
	(b) Capital work-in-progress	3	7.20	9.02
	(c) Intangible assets	3	0.48	1.02
	(d) Financial assets			
	(i) Trade receivables	4	1,544.94	2,200.08
	(ii) Other financial assets	5	8.73	8.51
	(e) Deferred tax assets (net)	41	173.07	-
	(f) Other non-current assets	6	3.74	3.47
2	**Total non-current assets**		**11,285.01**	**12,164.06**
	Current assets			
	(a) Inventories	7	533.34	441.62
	(b) Financial Assets			
	(i) Trade receivables	8	462.94	448.39
	(ii) Cash and cash equivalents	9	75.41	262.18
	(iii) Bank balances	10	59.14	-
	(iv) Other financial assets	11	183.16	3.95
	(c) Other current assets	12	53.19	42.10
	Total current assets		**1,367.18**	**1,198.24**
	Total Assets		**12,652.19**	**13,362.30**
II	**EQUITY AND LIABILITIES**			
A	**EQUITY**			
	(a) Equity share capital	13	3,206.61	3,206.61
	(b) Other equity	14	78.98	(650.80)
	Total Equity		**3,285.59**	**2,555.81**
B	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,869.30	5,898.83
	(ii) Other financial liabilities	16	765.18	-
	(b) Provisions	17	0.83	0.42
	(c) Deferred tax liabilities (net)	41	-	234.59
	Total non-current liabilities		**5,635.31**	**6,133.84**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	1,687.76	1,792.28
	(ii) Trade payables	19		
	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		1.32	3.00
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		300.77	389.44
	(iii) Other financial liabilities	20	1,733.60	2,481.81
	(b) Other current liabilities	21	6.74	5.26
	(c) Provisions	22	1.10	0.86
	Total current liabilities		**3,731.29**	**4,672.65**
	Total Liabilities		**9,366.60**	**10,806.49**
	Total Equity and Liabilities		**12,652.19**	**13,362.30**

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: May 18, 2020

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950

Vikas Sharma
Chief Executive Officer
& Whole Time Director
DIN: 00761202

Sandeep Modi
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

₹ in Cr

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	23	4771.82	5235.60
II	Other operating income	24	45.64	49.13
III	Other Income	25	139.70	1.68
IV	**Total Income (I+II+III)**		**4,957.16**	**5,286.41**
V	**Expenses:**			
	Power and fuel charges		3,201.26	3,699.43
	Employee benefits expense	26	22.95	25.71
	Finance costs	27	764.72	835.86
	Depreciation and amortisation expense	28	459.43	454.50
	Other expenses	29	268.34	271.71
	Total Expenses		**4,716.70**	**5,287.21**
VI	**Profit/(loss) before exceptional items and tax (IV-V)**		**240.46**	**(0.80)**
VII	Exceptional Items	30	82.06	-
VIII	**Profit/(loss) before tax (VI+VII)**		**322.52**	**(0.80)**
IX	**Tax Expenses / (benefit):**	41		
	On other than exceptional items			
	Deferred tax		(428.30)	53.78
	On Exceptional items			
	Deferred tax		20.65	-
	Net Tax expense / (benefit):		**(407.65)**	**53.78**
X	**Net Profit / (Loss) for the year (VIII-IX)**		**730.17**	**(54.58)**
XI	**Other Comprehensive Income/(Loss) (net of taxes)**			
	(i) Items that will not be reclassified to profit or loss - Re-measurement loss on defined benefit obligations		(0.39)	(0.27)
XII	**Total Comprehensive Income/(Loss) for the period (X+XI)**		**729.78**	**(54.85)**
XIII	Earnings / (Loss) per equity share, (in ₹): - Basic & Diluted	34	2.28	(0.17)

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: May 18, 2020

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950

Vikas Sharma
Chief Executive Officer
& Whole Time Director
DIN: 00761202

Sandeep Modi
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407

CASH FLOW STATEMENT
for the year ended March 31, 2020

₹ in Cr

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	**Cash flows from operating activities**		
	Net Profit / (Loss) before tax	322.52	(0.80)
	Adjusted for :		
	Unrealised exchange (gain) / loss	(36.70)	28.72
	Depreciation and amortisation expense	459.43	454.50
	Interest Expenses	764.72	835.86
	Interest and Dividend Income	(136.21)	(0.50)
	Exceptional Interest income (Refer note 30)	(82.06)	-
	Loss on sale of property, plant and equipment	0.00	(0.03)
	Operating profit before working capital changes	**1,291.70**	**1,317.75**
	Adjustments for change in assets and liabilities		
	(Increase) / Decrease in inventories	(91.72)	(188.62)
	(Increase) / Decrease in trade receivables	640.58	(281.48)
	(Increase) / Decrease in other financial and other assets	(6.80)	(15.05)
	Increase / (Decrease) in payables and provisions	(99.12)	95.17
	Cash generated from operations	**1,734.64**	**927.77**
	Income taxes paid	(0.75)	(0.51)
	Net cash from operating activities (i)	**1,733.89**	**927.26**
B	**Cash flows from investing activities**		
	Purchases of property, plant and equipment (including intangibles)	(54.19)	(12.32)
	Proceeds from maturity / redemption of short term deposits	86.03	-
	Purchases of short term deposits	(143.66)	-
	Purchase of short term Investment (Mutual Funds)	(2,948.40)	(1,174.10)
	Proceeds from sale of short term Investments (Mutual Funds)	2,949.49	1,174.28
	Interest received	5.09	0.32
	Net cash used in investing activities (ii)	**(105.64)**	**(11.82)**

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: May 18, 2020

For and on behalf of Board of Directors

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CASH FLOW STATEMENT (Cont.)
for the year ended March 31, 2020

₹ in Cr

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C	**Cash flows from financing activities**		
	(Repayment) / Proceeds from short term loan (net)	(1,534.16)	(731.73)
	Proceeds from current borrowings	3,740.00	-
	Repayment of current borrowings	(2,300.00)	-
	Proceeds from Long Term borrowing	-	2,800.00
	Repayment of Long Term borrowing	(1,033.94)	(2,073.30)
	Repayment of lease liability	(3.36)	-
	Interest Paid	(683.56)	(671.64)
	Net cash used in financing activities (iii)	**(1,815.02)**	**(676.67)**
	Net (decrease) / increase in cash and cash equivalents (i+ii+iii)	**(186.77)**	**238.77**
	Cash and cash equivalents at beginning of the year	**262.18**	**23.41**
	Cash and cash equivalents at close of the year [Refer Note 9 to the financial statements]	**75.41**	**262.18**

Notes:
1. The figures in bracket indicates outflows.
2. 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: May 18, 2020

For and on behalf of Board of Directors

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STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2020

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Cr)
As at March 31, 2020 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 year or previous year.

b. Other equity

₹ in Cr

Particulars	Reserves and Surplus		Total
	Retained earnings	Debenture Redemption Reserve	
Balance as at March 31, 2018	**(621.98)**	**26.03**	**(595.95)**
Loss for the year	(54.58)	-	(54.58)
Other Comprehensive Loss	(0.27)	-	(0.27)
Balance as at March 31, 2019	**(676.83)**	**26.03**	**(650.80)**
Profit for the year	730.17	-	730.17
Other Comprehensive Loss	(0.39)	-	(0.39)
Balance as at March 31, 2020	**52.95**	**26.03**	**78.98**

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
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Place: New Delhi
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For and on behalf of Board of Directors

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NOTES
Forming part of the financial statements as at and for the year ended March 31, 2020

1. Company's 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 May 18, 2020.

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)}.

As more fully described in note 45, the Company is required to install Flue Gas Desulphurization (FGD) plant by December 2019 and has made representations for extension of timelines and has also sought a revision in tariffs from its customer pursuant to the change in law clause provided under power purchase agreement with PSPCL. In the unlikely event of the Company's request for extension of the timeline not being accepted and its operations getting suspended, the Company's liquidity position would get stretched. 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.

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 from Contract with Customer

Ind AS 115 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the 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. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

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. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

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 recognised 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 recognised 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 recognised 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 recognised 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 capitalised 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
Furniture 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

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.

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.

e) Lease

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

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

Company as a lessor

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

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 realised or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realised 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. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in the P&L.

Financial assets – derecognition

The Company derecognises 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 recognises 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 recognising 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) recognised during the period is recognised 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 recognised 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 recognised in Statement of Profit and Loss when the liabilities are derecognised 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 recognised 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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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 recognised 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 recognised amounts and there is an intention to settle on a net basis, or to realise 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.

Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 recognised 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 for any indications of impairment or reversal of previously recognised 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 recognised 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 recognised in the Statement of Profit and Loss. Any reversal of the previously recognised 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 recognised. Company has done the impairment assessment as at March 31, 2020 and concluded that no impairment indicators exist for the current year reporting.

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 present location and condition, 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 unutilised tax credits and unutilised tax loss;

- deferred income tax is not recognised 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 recognised 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 recognised outside Statement of Profit and Loss is recognised 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 recognised 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, recognised as and when the employee renders related services and the Company has no further obligations other than the contributions made

Past service costs are recognised in statement of profit or loss in the earlier of:
- The date of the planned amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income.

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 recognised 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 recognised 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised 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 recognised 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 recognised 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 recognised 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 life 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
- Recognises 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 recognises 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 offers certain share based incentives under the Long-Term Incentive Plan (“LTIP”) to employees and directors of the Company and its subsidiaries. VL 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.

2.C. APPLICATION OF NEW STANDARDS AND AMENDMENTS

The Company has adopted with effect from April 01,2019, the following new standards and amendments.

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116: Leases

The Company has adopted Ind AS 116 from April 1,2019 under the modified retrospective approach replacing the earlier standard IND AS 17, and accordingly the comparative figures have not been restated

This standard introduced 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 has been recognised 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 recognised assets and liabilities, impacted 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, have also impacted including gearing, EBITDA, unit costs and operating cash flows. However, implementation of Ind AS 116 didn't have a material effect on the Company's Financial Statements.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unutilised tax losses, unutilised tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. There is no impact of the appendix on Company's financial statement.

2.D. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 recognised 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 recognised 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 life of property, plant and equipment**

Useful life 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 during previous year.

Critical judgements:

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

Significant judgement is required to apply lease accounting rules under Ind AS 116 '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 Ind AS 116.

The Company has ascertained that the Power Purchase Agreement (PPA) entered into between the Company and Punjab State Power Corporation Limited (PSPCL) qualify as operating lease as per Ind AS 116 Leases. Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges have been recognised 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 31 (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 recognised 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 recognised in these financial statements are disclosed in note 32.

- **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 42 as highly probable due to the following reasons:

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

Note 3 – Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation and Amortisation				Net Block	
	Balance as at March 31,2019	Additions	Disposal/ Adjustments	Foreign Exchange Difference	Balance as at March 31, 2020	Balance as at March 31,2019	Depreciation Charge	Deductions	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
a) Tangible Assets											
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60	390.60
	(390.60)	**(-)**	**(-)**	**(-)**	**(390.60)**	**(-)**	**(-)**	**(-)**	**(-)**	**(390.60)**	**(390.60)**
ROU Land (Refer note 2.C)	-	10.18	-	-	10.18	-	3.30	-	3.30	6.88	-
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Buildings	258.78	5.06	-	-	263.84	65.56	13.89	-	79.45	184.39	193.22
	(245.65)	**(13.13)**	**(-)**	**(-)**	**(258.78)**	**(52.97)**	**(12.59)**	**(-)**	**(65.56)**	**(193.22)**	**(192.68)**
Plant and Machinery	10,777.31	19.00	0.01	28.43	10,824.73	1,733.14	415.05	0.00	2,148.19	8,676.54	9,044.17
	(10,736.77)	**(12.11)**	**(-)**	**(28.43)**	**(10,777.31)**	**(1,318.24)**	**(414.90)**	**(-)**	**(1,733.14)**	**(9,044.17)**	**(9,418.53)**
Furniture and Fittings	2.80	0.05	0.06	-	2.79	1.19	0.22	0.03	1.38	1.41	1.61
	(1.97)	**(0.85)**	**(0.02)**	**(-)**	**(2.80)**	**(1.03)**	**(0.17)**	**(0.01)**	**(1.19)**	**(1.61)**	**(0.94)**
Motor Vehicles	0.32	-	0.14	-	0.18	0.11	0.05	0.12	0.04	0.14	0.21
	(0.35)	**(0.05)**	**(0.08)**	**(-)**	**(0.32)**	**(0.11)**	**(0.04)**	**(0.04)**	**(0.11)**	**(0.21)**	**(0.24)**
Railway Siding and Locomotives	419.14	-	-	-	419.14	119.28	23.83	-	143.11	276.03	299.86
	(419.14)	**(-)**	**(-)**	**(-)**	**(419.14)**	**(95.46)**	**(23.82)**	**(-)**	**(119.28)**	**(299.86)**	**(323.68)**

Particulars	Gross Block					Accumulated Depreciation and Amortisation				Net Block	
	Balance as at March 31,2019	Additions	Disposal/ Adjustments	Foreign Exchange Difference	Balance as at March 31, 2020	Balance as at March 31,2019	Depreciation Charge	Deductions	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
Office Equipment	5.78	0.08	0.01	-	5.85	3.82	0.53	0.01	4.34	1.51	1.96
	(5.25)	**(0.53)**	**(-)**	**(-)**	**(5.78)**	**(3.22)**	**(0.60)**	**(-)**	**(3.82)**	**(1.96)**	**(2.03)**
Computers and Data Processing	3.38	0.82	-	-	4.20	2.25	0.43	-	2.68	1.52	1.13
	(2.91)	**(0.47)**	**(-)**	**(-)**	**(3.38)**	**(1.95)**	**(0.30)**	**(-)**	**(2.25)**	**(1.13)**	**(0.96)**
Laboratory Equipment	17.74	-	-	-	17.74	8.54	1.37	-	9.91	7.83	9.20
	(17.74)	**(-)**	**(-)**	**(-)**	**(17.74)**	**(7.17)**	**(1.37)**	**(-)**	**(8.54)**	**(9.20)**	**(10.57)**
Total	11,875.85	35.19	0.22	28.43	11,939.25	1,933.89	458.67	0.16	2,392.40	9,546.85	9,941.96
	(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)**
								b) Capital work in progress		7.20	9.02
									Total	**9,554.05**	**9,950.98**
c) Intangible Assets											
Computer software	3.14	0.22	-	-	3.36	2.12	0.76	-	2.88	0.48	1.02
	(2.83)	**(0.31)**	**(-)**	**(-)**	**(3.14)**	**(1.41)**	**(0.71)**	**(-)**	**(2.12)**	**(1.02)**	**(1.41)**
Total	**3.14**	**0.22**	**-**	**-**	**3.36**	**2.12**	**0.76**	**-**	**2.88**	**0.48**	**1.02**
	(2.83)	**(0.31)**	**(-)**	**(-)**	**(3.14)**	**(1.41)**	**(0.71)**	**(-)**	**(2.12)**	**(1.02)**	**(1.41)**

Notes:

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

(ii) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 15 on "Borrowings".

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

Particulars	As at March 31, 2020	As at March 31, 2019
Considered good – Unsecured (Also refer Note 42)*	1,544.94	2,200.08
Total	**1,544.94**	**2,200.08**

*Balance as on April 01, 2018 - ₹ 816.61 Crore

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

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below)	0.04	-
Security deposits (Unsecured, considered good)	8.69	8.51
Total	**8.73**	**8.51**

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

Note 6 – Other non-current assets ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good		
Prepaid Expenses	0.96	1.44
Advance Income tax (net of provisions)	2.78	2.03
Total	**3.74**	**3.47**

Note 7 – Inventories ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Fuel Stock	424.71	302.35
Goods-in transit	36.40	54.83
Stores and Spares	71.49	84.44
Goods-in transit	0.74	-
Total	**533.34**	**441.62**

Note: For method of valuation of inventories, refer note 2.B(k)

Note 8 – Trade Receivables – Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Considered good - Unsecured	462.94	448.39
Total	**462.94**	**448.39**

Note: (i) The Company offers a credit period of 0-30 days to its customers.
(ii) Also refer Note 42
(iii) Balance as at April 01, 2018 - ₹ 1,439.81 Crore

Note 9 – Cash and Cash Equivalents ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current account	75.41	262.18
Total	**75.41**	**262.18**

Note 10 – Other Bank Balance ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	3.42	-
Bank deposits with original maturity for more than 3 months but less than 12 months (including interest accrued thereon)	15.82	-
Bank deposits with original maturity for more than 12 months but remaining maturity of less than 12 months (including interest accrued thereon)	39.90	-
Total	**59.14**	**-**

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

Note 11 – Other financial assets – Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative asset	43.10	-
Receivables from related parties	0.14	0.26
Claims and other receivables	139.92	3.69
Total	**183.16**	**3.95**

Note 12 – Other current assets ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to suppliers	39.28	34.70
Advance to Related Parties (Refer note 36)	1.47	-
Prepaid expenses	12.43	6.78
Balance with government authorities	0.01	0.62
Total	**53.19**	**42.10**

Note 13 – Equity Share Capital

₹ in Cr

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020		Equity Shares as at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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 14 – Other Equity (Refer Statement of changes in equity)

Debenture redemption reserve: As per Section 71(4) of the Companies Act, 2013, companies that issue debentures were required 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 utilized except to redeem debentures. However, as per MCA notification G.S.R. 574(E) dated August 16, 2019, the creation of Debenture Redemption Reserve for listed companies is no longer required. Thus, the Company has not created any debenture redemption reserve thereafter.

Note 15– Non-current financial liabilities – Borrowings

₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Secured: At amortised cost		
(a) Redeemable Non-Convertible Debentures (Refer note (iii) below)	2,649.58	3,249.29
(b) Term Loan (Refer note (iv) below)		
(i)From banks:		
Indian currency loans	2,750.04	3,137.54
Foreign currency loans	277.04	297.64

(ii) From other than banks (Indian currency loan)	163.26	187.88
Less: Current maturities of long-term borrowings (Refer note 20)	(970.62)	(973.52)
Total	**4,869.30**	**5,898.83**

Notes:

(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, 2020**	**As at March 31, 2019**
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 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	999.58	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 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,000.00	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 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	150.00	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 time 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 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	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 time during the tenure of NCD and an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	250.00
Total			**2,649.58**	**3,249.29**

* Interest rate is based on effective interest rate after considering the effect of the upfront fee that was paid.

** Some of the debenture holders exercised a Put option in November 2019, which was available with them, leading to a reduction in the debenture balance.

*** Redeemed during the year and charge has been released.

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

₹ in Cr

Particulars	Issued on	Security	As at March 31, 2020	As at March 31, 2019
(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.	125.04	138.64
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.	1,786.96	1,876.60
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
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.	268.22	281.69
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	569.82	592.97
Total			**2,750.04**	**3,137.54**
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	277.04	297.64
Total			**277.04**	**297.64**
(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.	163.26	187.88
Total			**163.26**	**187.88**
Total Term Loan			**3,190.34**	**3,623.06**

Repayment terms of Term Loan outstanding as on March 31, 2020:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 Year	1-3 Years	3-5 Years	>5 Years	Remarks
Indian Rupee term loan	9.34%	2,913.30	308.47	439.47	357.63	1,817.50	Repayable in 135 quarterly instalments and 2 bullet payments.

Foreign currency term loan	9.35%	277.04	12.15	45.12	34.50	186.00	Repayable in 40 quarterly instalments
Total		**3,190.34**	**320.62**	**484.59**	**392.13**	**2,003.50**	

Note:
(a) The above maturity is based on the total principal outstanding gross of issuance expense.
(b) Repayment schedule of some of the lenders has been deferred resulting into increase in average term of loans by 3 months and decrease in current maturity by ₹ 93 Crore after considering the moratorium provided by RBI as per circular dated March 27, 2020 due to COVID-19. In one of the cases, the moratorium has been agreed post March 31, 2020 and the instalment paid of ₹ 10.57 Crore (including interest) in March, 2020, was refunded subsequent to the year end. Hence, the same is not included above.

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

	Borrowings due within one year	Borrowings due after one year	Total
As at March 31, 2018	**3,974.69**	**4,676.32**	**8,651.01**
Cash Flow	(731.74)	718.73	**(13.01)**
Other non cash changes	(477.16)	503.79	**26.63**
As at March 31, 2019	**2,765.79**	**5,898.84**	**8,664.63**
Cash Flow	(153.54)	(1,033.94)	**(1,187.48)**
Other non cash changes	46.13	4.40	**50.53**
As at March 31, 2020	**2,658.38**	**4,869.30**	**7,527.68**

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 16 – Other financial liabilities – Non-Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Liability for capital expenditure (Refer note (i) below)	761.35	-
Lease liability (Refer note (ii) below)	3.83	-
Total	**765.18**	**-**

Note:
(i) During the year, the Company has entered into settlement arrangement vide minutes of meeting dated February 15, 2020 with one of its EPC project contractors for outstanding liabilities. Basis the arrangement, the contractor has agreed to waive the interest on the outstanding balance and receive the payment as per a schedule. Accordingly, interest accrued upto March 31, 2019 amounting to ₹ 70.64 Crore has been reversed and included under other income.
(ii) The movement in lease liabilities is as follows:

Opening balance*	-
Additions	10.18
Repayments	(3.36)
Interest	0.61
Closing balance	7.43

* Includes balance accounted for on transition to IND AS-116
Lease liabilities carry an interest at 8.69%

Note 17 – Provisions – Non-Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for gratuity	0.83	0.42
Total	**0.83**	**0.42**

Note 18 – Borrowings – Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Loan from Banks (Refer note (i) below)		
-Short term loan	247.76	-
-Factoring of Trade Receivables	-	280.00
Unsecured		
Commercial Paper (refer note(ii) below)	-	1,512.28
Loans from Related Parties (Refer note (iii) below)	1,440.00	-
Total	**1,687.76**	**1,792.28**

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.

(ii) Commercial Papers

The Company had issued commercial papers to various mutual funds, which were backed by unconditional and irrevocable corporate guarantee from Vedanta Limited. These commercial papers were issued in the previous year with a maturity of less than 3 months. These commercial papers have been repaid during the year.

(iii) Loans from Related Parties

The Company has an outstanding of ₹ 1440 Cr inter corporate loan from its Parent Company, Vedanta Limited which was obtained during the year for temporary support. The same is repayable within one year from the date of draw down. Also, refer note 36.

(iv) The above outstanding loans carry interest rates ranging from 8.70% to 9.20% (Previous year 7.72% to 9.80%).

Note 19 – Trade Payables ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (ii) below)	1.32	3.00
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	300.77	389.44
Total	**302.09**	**392.44**

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:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.32	3.00
(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 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 20 – Other financial liabilities – Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (Refer note 15)	970.62	973.52
Interest accrued but not due on borrowings	191.73	189.69
Lease liability (Refer note 16)	3.60	-
Other Payables		
Derivative liabilities	-	39.89
Project creditors (Refer note 16)	436.43	1,221.85
Retention money	18.98	15.74
Due to related parties (Refer note 36)	108.19	37.70
Earnest money deposit	3.79	3.39
Other Liabilities	0.26	0.03
Total	**1,733.60**	**2,481.81**

Note 21 – Other current liabilities ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers*	0.61	0.79
Other Payables:		
Statutory liabilities	6.06	4.43
Other Liabilities	0.07	0.04
Total	**6.74**	**5.26**

*These are contract liabilities. Additional disclosures have not been furnished as the same are not material

Note 22 – Provisions – Current ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	1.10	0.86
Total	**1.10**	**0.86**

Note 23 – Revenue from Operations ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Energy Sales (Refer note below)	4,771.82	5,235.60
Total	**4,771.82**	**5,235.60**

Note: Energy sales includes contingent rentals of ₹ 1,672.93 Crore (previous year ₹ 1,672.43 Crore). The balance revenue of ₹ 3,098.89 Crore (previous year ₹ 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 42.

Note 24 – Other Operating Revenue ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Scrap Sales	14.00	20.89
Sale of fly ash	27.37	22.62
Miscellaneous income	4.27	5.62
Total	**45.64**	**49.13**

Note 25 – Other Income ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Interest income from financial assets at amortised cost		
- Bank Deposits	6.02	-
- Others	0.59	0.30
Dividend income from investments measured at FVTPL	1.09	0.18
Interest on outstanding income tax refunds	0.02	0.02
Interest from Customer (Refer note 30)	57.85	-
Reversal of Interest accrued (Refer note 16)	70.64	-
Miscellaneous income	3.49	1.18
Total	**139.70**	**1.68**

Note 26 – Employee benefits expense ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Salaries and Bonus	21.52	24.01
Contribution to provident fund	0.61	0.61
Staff welfare expenses	0.27	0.34
Gratuity expenses	0.06	0.17
Contribution to super annuation	0.49	0.58
Total	**22.95**	**25.71**

Note 27 – Finance Cost ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Interest expenses	736.14	792.25
Other finance costs	28.58	43.61
Total	**764.72**	**835.86**

Note 28 – Depreciation & amortization Expense ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Depreciation of tangible assets (Refer note 3)	458.67	453.80
Amortisation of intangible assets (Refer note 3)	0.76	0.70
Total	**459.43**	**454.50**

Note 29 – Other Expenses ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Consumption of stores and spare parts	41.09	57.16
Plant running and maintenance expenses	169.96	155.30
CSR Expenses (Refer note below)	1.12	0.77
Legal and professional fees (Refer note 33)	5.57	5.92
Electronic data processing expenses	1.66	2.13
Insurance	13.66	18.94
Rates and taxes	0.84	0.77
Security expenses	0.06	0.23
Travelling	2.79	4.01
Books and periodicals	0.25	0.23
Director Sitting fees	0.22	0.12
Net loss on foreign currency transactions and translation	24.86	24.22
Miscellaneous expenses	6.26	1.91
Total	**268.34**	**271.71**

Note: Corporate Social Responsibility Expenses includes:

Particulars	Year ended 31, 2020	Year ended 31, 2019
(a) Gross amount required to be spent by the company during the year	-	-
(b) Amount spent on:		

(i) Construction/ Acquisition of assets		
In cash	0.27	-
Yet to be paid in cash	-	-
(ii) On purposes other than (a) above	-	-
In cash	0.68	0.61
Yet to be paid in Cash	0.17	0.16
Total	**1.12**	**0.77**

Note 30 - Exceptional Items ₹ in Cr

Particulars	Year ended 31, 2020	Year ended 31, 2019
Interest income on claims based on Supreme Court order (Refer note below)	82.06	-
Total	**82.06**	**-**

Note: Based on the Supreme Court orders dated March 7, 2018 and August 7, 2019, the Company's sole customer PSPCL has paid ₹ 1,002 Crore in the months of September 2019 and October 2019 against pending claims. In line with the Supreme Court order, the Company has recognised interest income on delayed payments of ₹ 139.92 Crore, out of which ₹ 82.06 Crore is accrued till March 31, 2019 and has been disclosed as exceptional item and remaining ₹ 57.85 Cr in other income in the financial statements for the year ended March 31, 2020. Management expects to receive this amount in the next 12 months

Note 31 – Commitments

(i) Commitments:

Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹ 11.43 Crore (previous year ₹ 11.08 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 Ind AS 116. The arrangement has been classified as operating lease as per the policy of the Company. The contingent rents recognized as income during the year is ₹ 1,672.93 Crore (previous year ₹ 1672.43 Crore).

Note 32 – Contingent Liabilities

Claims against the company not acknowledged as debt

(i) 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 Dispatch 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 (previous year ₹ 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 (previous year ₹ 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.

(ii) National Green Tribunal ("NGT") vide its order dated November 20, 2018 imposed penalty in form of damage on the power producers who have failed to ensure complete utilisation of fly ash in accordance with the Fly Ash Notification, 2016. Post NGT order, Punjab Pollution Control Board ("PPCB") vide letter dated December 28, 2018 requested to take further necessary action in the matter in accordance with the mandate of order dated November 20, 2018 of NGT and deposit the amount of damages for the environment restoration with the office of Central Pollution Control Board.

Association of Power Producers ("APP") challenged the order dated November 20, 2018 before Hon'ble Supreme Court in Civil Appeals filed vide Diary No. 47736 of 2018 and Diary No. 2959 of 2019. The Hon'ble Supreme Court vide Orders dated January 25, 2019 and February 4, 2019 while disposing both the Civil Appeals was pleased to hold that until the Tribunal takes a decision on the application that may be moved on behalf of TPPs, the interim direction for deposit shall not be enforced against them and no coercive steps for non-compliance shall be taken.

Ministry of Environment, Forest and Climate Change ("MoEF&CC") constituted a Joint Committee, under the Chairmanship of Joint Secretary Hazardous Substances Management Division ("HSMD"), compromising of members from CPCB, IIT Roorkee, Ministry of Power ("MoP"), Ministry of Coal ("MoC"), Ministry of Housing and Urban Affairs ("MHUA"), National Highways Association of India ("NHAI") and Odisha State Pollution Control Board ("SPCB"). NGT vide its order dated January 27, 2020 directed all the stakeholders to file their objections on or before February 7, 2020. TSPL filed its objections to the report. However, NGT vide its order dated February 12, 2020 approved the recommendations of the committee. The order was passed by NGT without giving opportunity to TSPL and the power plants and also the objections raised by TSPL. TSPL has filed Civil Appeal before

Supreme Court. The next date of hearing is yet to be announced. The approximate value of claims against the company works out to be ₹ 8.32 Crore. On the basis of merits of the case and backed by legal opinion, no provision has been considered necessary at this stage.

Note 33 – Auditors' Remuneration included under Legal and Professional Services ₹ in Cr

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Audit fees	0.16	0.16
Limited Review	0.05	0.05
Reporting for Parent Company consolidation	0.28	0.28
Other Services	0.01	0.02
Out of Pocket Expenses	0.05	0.03
Total	**0.55**	**0.54**

Note 34– Earnings per Share (EPS) ₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/(loss) after tax (₹ in Crore)	730.17	(54.58)
Weighted average number of Equity shares for Basic and Diluted EPS	320,66,09,692	320,66,09,692
Earning/(Loss) Per Share - Basic and Diluted (₹)	**2.28**	**(0.17)**

Note 35 – Employee Benefits

(a) Defined contribution plan

The Company contributed a total of ₹ 1.10 Crore for the year ended March 31, 2020 (previous year ₹ 1.19 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 2020 and 2019) 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 of 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, 2020	March 31, 2019
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.80%	7.70%
Discount rate (p.a.)	6.80%	7.80%
Mortality rate	100% IALM(2012-14)	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, 2020	Year ended March 31, 2019
Current service cost	0.16	0.16
Interest Cost	0.03	0.01
Total	**0.19**	**0.17**

Amount recognized in Other Comprehensive Income during the period

₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurement of the net defined benefit obligation: - Actuarial losses arising from changes in financial assumptions	0.20	(0.02)
Actuarial losses/ (gains) arising from experience adjustments	0.20	0.21
Actuarial losses/ (gains) on assets	(0.01)	0.08
Total	**0.39**	**0.27**

Movement in present value of defined benefit obligation

₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Obligation at the beginning of the year	1.39	1.14
Current service cost	0.16	0.16
Interest cost	0.12	0.01
Actuarial (gains)/losses	0.39	0.27
Benefits paid	(0.33)	(0.19)
Obligation at the end of the year	**1.73**	**1.39**

Movement in present value of plan assets

₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fair value at the beginning of the year	0.97	1.08
Actual return on plan assets	0.08	-
Contribution	0.18	0.08
Benefits paid	(0.33)	(0.19)
Fair value at the end of the year*	**0.90**	**0.97**

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

Amount recognized in Balance Sheet

₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation at the end of the year	1.73	1.39
Less: Fair value of plan assets at the end of the year	(0.90)	(0.97)
Net liability recognized in the Balance Sheet	**0.83**	**0.42**

The contribution expected to be made by the Company during the financial year 2020-21 as ascertained by the management is ₹ 0.24 Crore (Previous Year ₹ 0.19 Crore)

₹ in Cr

Sensitivity Analysis	March 31, 2020	March 31, 2019
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.10)	(0.08)
Decrease by 0.50%	0.11	0.09
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.11	0.09
Decrease by 0.50%	(0.11)	(0.08)

Maturity profile of defined benefit obligation

Year	March 31, 2020	March 31, 2019
April'19 - Mar'20	-	0.03
April'20 - Mar'21	0.04	0.02
April'21 - Mar'22	0.03	0.02
April'22 - Mar'23	0.17	0.03
April'23 - Mar'24	0.03	0.02
April'24 - Mar'25	0.03	0.02
April'25 - Mar'26	0.02	-
April'25 onwards	-	1.25
April'26 onwards	1.42	-
Total	**1.74**	**1.39**

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 36 – 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
Sterlite Power Grid Ventures Limited
Electrosteel Steels Limited

(c) Key Managerial Personnel

Mr. Chhavi Nath Singh: Chief Operating Officer & Manager (upto close of business hours on July 31, 2019)
Mr. Rohit Agarwal: Chief Financial Officer (upto close of business hours on July 30, 2019)
Mr. Vikas Sharma: Chief Executive Officer and Whole Time Director (from July 22, 2019 and October 23, 2019 respectively)
Mr. Sandeep Modi: Chief Financial Officer (from August 12, 2019)
Mr. Agnivesh Agarwal: Chairman
Mr. Sushil Kumar Roongta: Non-Executive Director
Mr. Gurminder Singh Kang: Independent Director
Ms. Mala Todarwal: Independent Director
Ms. Pooja Somani: Non-Executive Director

*** No transaction with parties during the year.**

Terms and conditions of transactions with related parties:

The Company enters into transactions in the normal course of business with its related parties, including its parent Vedanta Limited. A summary of significant related party transactions for the year ended March 31, 2020 and 2019 are noted below.

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

Particulars	As at March 31, 2020	As at March 31, 2019
1) Net Recovery from / (Reimbursement) of employee cost and other expenses		
(i) Vedanta Limited	(7.37)	(6.55)
(ii) Hindustan Zinc Limited	(0.03)	(0.07)
(iii) Bharat Aluminium Company Limited	1.05	(0.58)
(iv) Sterlite Power Grid Ventures Limited	0.03	0.07
(v) Electrosteel Steels Limited	0.20	0.16
2) Sale / (Purchase) of Consumables and Capex items		
(i) Vedanta Limited	(0.22)	0.35
(ii) Bharat Aluminium Company Limited	(0.02)	-
3) Brand Fees (w.e.f. February 1, 2020)		
(i) Vedanta Resources Limited	(4.38)	-
4) Interest and Guarantee Commission		
(i) Vedanta Limited	(95.87)	(26.73)
(ii) Electrosteel Steels Limited	(12.08)	-
5) Loans taken during the year (Refer note 18)		
(i) Vedanta Limited	(2,840.00)	-
(ii) Electrosteel Steels Limited	(900.00)	-
6) Loans repaid during the year		
(i) Vedanta Limited	1,400.00	-
(ii) Electrosteel Steels Limited	900.00	-

b. Details of balances with related parties: ₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
1.Balance Receivable as at the end of the year		
(i) Bharat Aluminium Company Limited	0.11	-
(ii) Sterlite Power Grid Ventures Limited	0.03	0.05
(iii) Electrosteel Steels Limited	-	0.15
(iv) Vedanta Resources Limited	1.47	-
2.Balance Payable as at the end of the year		
(i) Vedanta Limited (Refer note 18)	1,548.19	37.08
(ii) Hindustan Zinc Limited	-	0.05

(iii) Bharat Aluminium Company Limited	-	0.51
3.Bank Guarantees/ Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	5,931.61	8,495.55

c. Remuneration of Key Management Personnel (KMP):

₹ in Cr

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	3.79	2.43
Post-employment benefits	0.19	0.18
Share based payments	0.05	0.26
Total	**4.03**	**2.87**

Note:
(i) The company has also paid ₹ 0.22 crore (previous year ₹ 0.12 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 37 – 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 all the components including other comprehensive income.

The following table summarizes the capital of the Company:

(₹ in Crore except ratios)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	3,206.61	3,206.61
Other Equity	78.98	(650.80)
Total Equity (a)	**3,285.59**	**2,555.81**
Cash and cash equivalents	75.41	262.18
Other Bank Balances	59.14	-
Total cash (b)	**134.55**	**262.18**
Short-term borrowings	1,687.76	1,792.28
Long-term borrowings	4,869.30	5,898.83
Current maturities of long-term debt	970.62	973.52
Total debt (c)	**7,527.68**	**8,664.63**
Net debt (d=(c-b))	**7,393.13**	**8,402.45**
Net debt to equity ratio (d/a)	**2.25**	**3.29**

Note 38 – 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, 2020 ₹ in Cr

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	462.94	**462.94**	**462.94**
Trade receivables - Non-Current	-	1,544.94	**1,544.94**	**1,544.94**
Other non-current financial assets	-	8.73	**8.73**	**8.73**
Other current financial assets	43.10	140.06	**183.16**	**183.16**
Cash and cash equivalents	-	75.41	**75.41**	**75.41**
Other bank balances	-	59.14	**59.14**	**59.14**
Total	**43.10**	**2,291.22**	**2,334.32**	**2,334.32**

March 31, 2019 ₹ in Cr

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	448.39	**448.39**	**448.39**
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	-	3.95	**3.95**	**3.95**
Cash and cash equivalents	-	262.18	**262.18**	**262.18**
Total	**-**	**2,923.11**	**2,923.11**	**2,923.11**

March 31, 2020 ₹ in Cr

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	4,869.30	**4,869.30**	**4,858.41**
Short-term borrowings	-	1,687.76	**1,687.76**	**1,687.76**
Trade payables	-	302.09	**302.09**	**302.09**
Other non-current financial liabilities	-	765.18	**765.18**	**765.18**
Other current financial liabilities	-	1,733.60	**1,733.60**	**1,730.97**
Total	**-**	**9,357.93**	**9,357.93**	**9,344.41**

March 31, 2019 ₹ in Cr

Financial liabilities	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**

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 summarizes the categories of financial assets and liabilities as at March 31, 2020 and March 31, 2019 measured at fair value.

₹ in Cr

As at March 31, 2020	Level 1	Level 2	Level 3
Financial assets - Current			
Derivative financial assets			
- Forward foreign currency contract	-	43.10	-
Total	-	43.10	-
Financial liabilities - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	-	-
Total	-	**-**	-

₹ 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 - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	39.89	-
Total	-	**39.89**	-

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 using level 2 technique, 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 receivables: Fair value has been determined by the company based on interest rates and recoverability of dues from the customer. Also, refer note 42.

Note 39 – 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 updated the credit rating suffix of Non-Convertible Debentures (NCD) from CRISIL "AA (SO)/(Stable)" to CRISIL "AA (CE)/(Stable)" on September 7, 2019 and later reaffirmed the same ratings on January 13, 2020 and India Rating updated its rating of NCD from IND "AA(CE)/(Stable)" to IND "AA(CE)/(Negative)" on March 19, 2020. Subsequent to year end, CRISIL has updated the credit rating outlook of NCD from CRISIL "AA (CE)/(Stable)" to CRISIL "AA(CE)/(Negative)" on April 3, 2020.

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, 2020				
	<1 year	1-3 Years	3-5 Years	> 5 Year	Total
Borrowings	2,658.38	2,484.59	392.13	2,003.50	**7,538.60**
Interest on borrowings	652.72	668.68	418.56	549.01	**2,288.97**
Trade payables	302.09	-	-	-	**302.09**
Other financial liabilities	567.65	761.35	-	-	**1,329.00**
Lease Liability	3.60	4.21	-	-	**7.81**

₹ in Cr

Financial liabilities	As on March 31, 2019				
	<1 year	1-3 Years	3-5 Years	> 5 Year	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**

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.

₹ in Cr

As at March 31, 2020				
Particulars	**Floating rate financial assets**	**Fixed rate financial assets**	**Non-interest bearing financial assets**	**Total financial assets**
Financial assets-non-current				
Trade Receivables*	-	-	1,544.94	**1,544.94**
Other financial assets	-	0.04	8.69	**8.73**
Total financial assets-non-current	-	**0.04**	**1,553.63**	**1,553.67**
Financial assets-current				
Trade receivables*	-	-	462.94	462.94
Cash and cash equivalents	-	-	75.41	75.41
Bank Balances	-	59.14	-	59.14
Other financial assets	-	-	183.16	183.16
Total financial assets-current	-	**59.14**	**721.51**	**780.65**
Total financial assets	-	**59.18**	**2,275.14**	**2,334.32**

*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 (as at March 31, 2019), 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. 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. Supreme Court via its order dated August 7, 2019, directed PSPCL to pay the amount in next 8 weeks. Against that PSPCL has paid ₹ 1,002 Crores in September 2019 and October 2019. In line with the Supreme Court order, the Company has recognised interest of ₹ 140 Crore during the current year.

The weighted average interest rate on the fixed rate financial assets is 6.07% p.a. and the weighted average period for which the rate is fixed is 0.68 years.

₹ 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*	-	-	448.39	**448.39**
Cash and cash equivalents	-	-	262.18	**262.18**
Other financial assets	-	-	3.95	**3.95**
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, where after 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, 2020				
Particulars	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**	**Total financial liabilities**
Financial liabilities-non current				
Borrowings	2,869.72	1,999.58	-	4,869.30
Other Financial liabilities	-	-	765.18	765.18
Total financial liabilities-non current	**2,869.72**	**1,999.58**	**765.18**	**5,634.48**
Financial liabilities-current				
Borrowings	568.38	2,090.00	-	2,658.38

Trade payables	-	-	302.09	302.09
Other financial liabilities	-	-	762.97	762.97
Total financial liabilities-current	**568.38**	**2,090.00**	**1,065.06**	**3,723.44**
Total financial liabilities	**3,438.10**	**4,089.58**	**1,830.24**	**9,357.92**

The weighted average interest rate on the fixed rate financial liabilities is 8.84% p.a. and the weighted average period for which the rate is fixed is 0.79 years.

₹ 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
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.

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, 2020. 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.

Movement in interest rates	**Effect on profit before tax (₹ in Cr)**	
	FY 2019-20	**FY 2018-19**
0.50%	17.19	19.52
1.00%	34.38	39.03
2.00%	68.76	78.06

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, 2020 is ₹ 2,199.77 Crore (previous year ₹ 2,660.93 Crore) of which ₹ 2,147.79 Crore (previous year ₹ 2,648.47 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, 2020, that defaults in payment obligations will occur.

₹ in Cr

Particulars	As on March 31, 2020				
	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*	46.51	27.73	49.12	318.12	1,103.46
Trade receivables - Current*	444.33	7.49	8.35	2.77	-
Other Financial Asset - Non-Current	8.73	-	-	-	-
Other Financial Asset - Current	43.21	-	0.02	139.93	-
Total	**542.78**	**35.22**	**57.49**	**460.82**	**1,103.46**

₹ 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*	442.98	4.95	0.45	-	-
Other Financial Asset - Non-Current	8.51	-	-	-	-
Other Financial Asset - Current	0.02	0.17	0.13	3.64	
Total	**526.53**	**56.02**	**89.60**	**560.00**	**1,428.78**

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, 2020	As at March 31, 2019
USD	1,304.05	1,246.92

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, 2020 by ₹ 130.41 Crore. (previous year ₹ 124.69 crore).

Note 40 – 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:

Derivative financial instrument	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Current				
Forward foreign currency contracts	43.10	-	-	39.89
Total	**43.10**	**-**	**-**	**39.89**

Note 41 – Income tax Expenses

(a) Tax charge/(credit) recognised in Statement of Profit and Loss: ₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profit for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Origination and reversal of temporary differences- other than exceptional items	(428.30)	53.78
Charge in respect of exceptional item	20.65	-
Total deferred tax	**(407.65)**	**53.78**
Net tax (benefit)/expense	**(407.65)**	**53.78**
Profit before tax	**322.52**	**(0.80)**
Effective income tax rate (%)	**-126.40%**	**-6751.22%**

Tax Expenses: ₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Tax effect of exceptional items	20.65	-
Tax expense-others	(428.30)	53.78
Net Tax expense	**(407.65)**	**53.78**

(b) Reconciliation of income tax expense/ credit 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, 2020	Year ended March 31, 2019
Accounting profit / (loss) before tax	**322.52**	**(0.80)**
Statutory income tax rate	25.17%	34.94%
Tax at Indian statutory income tax rate	80.79	-
One-time tax gain due to change in tax regime (see note below)	(488.46)	-
CSR Expenditure Disallowed	0.28	-
Tax on Exempt Income (Dividend Income)	(0.27)	-
Expense disallowed u/s 14A	0.01	-

Tax effect of Temporary differences getting reversed during tax holiday period	-	53.78
Total	**(407.65)**	**53.78**

Note: As per the amendments to the tax laws in September, 2019, a new tax provision has been introduced whereby a company can claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. The Company has opted for the same leading to a Deferred tax credit of ₹ 408 Crore (including ₹ 488 Crore on timing difference as at March 31, 2019) during the year ended March 31, 2020. As per the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years and Deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available to utilize the same.

(c) Deferred tax assets / liabilities

The deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and the amortisation of intangible assets, net of losses carried forward by the Company. Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows:

₹ in Cr

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Property, plant and equipment and intangible assets:		
Opening balance	**234.59**	**180.81**
Charged/(credited) to statement of profit and loss	194.99	53.78
Closing balance	**429.58**	**234.59**
Unabsorbed depreciation		
Opening balance	**-**	**-**
Charged/(credited) to statement of profit and loss	(602.65)	-
Closing balance	**(602.65)**	**-**
Net deferred tax liabilities/(assets)	**(173.07)**	**234.59**

Note 42 – Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,544.94 Crore (March 31, 2019 ₹ 2,200.08 Crore) which are on account of various disputes including yield loss during washing, tax benefits at the time of initial plant setup, procurement of alternate coal, basis of computation of plant availability and gross calorific value amongst others. During the year, pursuant to an order of the Hon'ble Supreme Court, the Company has received ₹ 1,002 Cr from PSPCL in the matter of difference in assessment of calorific value of coal. 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 43 – 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 ₹ 4,771.82 Crore (previous year ₹ 5,235.60 Crore) is from a single customer.

Note 44 – Share based compensation plans

The Company offers equity-based award plans to its employees and officers through its parent (Vedanta Limited), Employee Share Ownership Plan (""ESOP"").

During the year, share-based incentives under ESOP of Vedanta Limited (introduced effective 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. The scheme is both tenure and performance based share schemes. The awards are indexed to and settled by Parent shares. The awards have a fixed exercise price denominated in Parent's functional currency (₹ 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 the 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, 2020 was ₹ 3.04 Crore (previous year ₹ 1.20 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 45

Due to the outbreak of COVID-19 globally and in India, the Company has made an initial assessment of the likely adverse impact on economic environment in general and financial risks to itself on account of the same. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured the availability of its power plant to generate power, considering essential service as declared by the Government of India. The Company has ensured that it has sufficient coal stock and manpower to make the plant available to generate power in safe environment. The Company has received force majeure notice from its sole customer PSPCL on March 29, 2020 citing nationwide lockdown declared from March 23, 2020 onwards resulting into significant decline in the demand for power. The notice seeks to invoke force majeure owing to the lockdown and therefore to stop scheduling power from TSPL power plant and requested TSPL not to declare availability thereby not paying capacity charges. The notice has been replied to by the Company stating that the said situation is not covered under force majeure clause of PPA, considering electricity generation falls under essential services vide notification dated March 25, 2020 issued by Ministry of Home Affairs. As per the understanding of the management, PSPCL is sourcing its current requirement of power from other producers. Further, the Power Ministry has also clarified on April 6, 2020 that power purchasers will have to comply with the obligation to pay fixed capacity charges as per the terms of the relevant agreement with the power producers. Based on management assessment and legal opinion obtained, the Company is confident of realising such revenues which have been recognized in these financial statements and also that it would be entitled to in the future periods as long as the lock down prevails.

Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till May 2020. This will also help to mitigate the stress on cash flows, if any, during the period of COVID-19. The Company is also having sufficient stock of coal and has also tied up further supply of coal so as to maintain supply of electricity. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. "

Also, the Central Pollution Control Board (CPCB) has issued a Show Cause Notice (SCN) dated January 31, 2020 to almost all the power plants having timeline of Sep / Dec 19 for installation of Flue Gas Desulphurization (FGD)and which could not comply with the same. TSPL has been directed to show cause as to why Units 1-3 of the plant should not be closed down and environment compensation be imposed for the continuing of non-compliance of directions of CPCB. TSPL has replied that earnest efforts have been taken for FGD installation and has requested for revoking the SCN and allowing time till Dec'2022. Final response of CPCB is still awaited. Punjab Pollution Control Board intimated TSPL vide its letter no PPCB/2019/38646 that the SCN issued by it in Nov 2019 has been disposed of with recommendations to forward the matter to CPCB to accept the request of the industry favourably for granting the extension up to December 31, 2022 for installation, commissioning and operationalization of FGD. Further, Management has obtained an opinion received from an expert stating that Company has good merits to file an appeal against any adverse order from CPCB. In addition to this, the Company had filed a petition for regulatory approvals for change in law seeking cost passthrough under power purchase agreement with PSPCL. The matter has been heard and currently order is reserved by Appellate Tribunal for Electricity (APTEL). Accordingly, the Company is not expecting any material liability or obstruction in its business operations.

Note 46 – Previous year's figures

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

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: May 18, 2020

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950

Vikas Sharma
Chief Executive Officer
& Whole Time Director
DIN: 00761202

Sandeep Modi
Chief Financial Officer

Mansi Bhutani
Company Secretary
ICSI Mem No. A49407