

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALWANDI SABO POWER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TALWANDI SABO POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls



system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

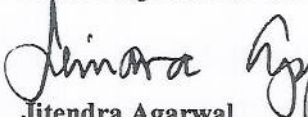
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 statements – Refer to Note 28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018


Jitendra Agarwal
Partner
Membership No. 87104



New Delhi, April 17, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories (excluding inventories with third parties) were physically verified during the year by the Management at reasonable intervals. In respect of inventory lying with third parties, these have been confirmed by them.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Also, according to the information and explanations given to us, there are no unclaimed deposits, hence the provisions of Sections 73 to 76 of the Act do not apply to the Company.



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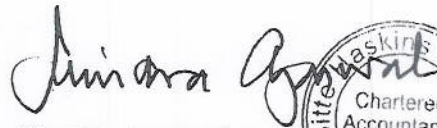
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of the operations of the Company during the year. Accordingly, clause (vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit, however, the Company has incurred cash losses in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.



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- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018


Jitendra Agarwal
Partner
Membership No. 87104

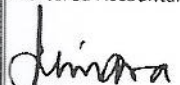


New Delhi, April 17, 2015

Talwandi Sabo Power Limited
Balance Sheet as at 31st March, 2015


Particulars	Note No.	As at	As at
		31st March, 2015	31st March, 2014
		Amount (Rs. crores)	Amount (Rs. crores)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,206.61	2,500.00
(b) Reserves and surplus	4	(125.14)	(86.54)
2 Noncurrent liabilities			
(a) Long term borrowings	5	3,050.21	1,505.09
(b) Other long term liabilities	6	639.21	601.95
(c) Long term provisions	7	0.59	0.45
3 Current liabilities			
(a) Short term borrowings	8	3,262.13	1,759.43
(b) Trade payables	9	22.88	-
(c) Other current liabilities	10	1,450.53	3,838.66
(d) Short term provisions	11	0.05	0.11
Total		11,507.07	10,119.15
II. ASSETS			
1 Noncurrent assets			
(a) Fixed assets			
(i) Tangible assets	12	5,249.45	388.00
(ii) Intangible assets	12	0.69	1.25
(iii) Capital work-in-progress	34	5,561.65	9,490.59
(b) Long term loans and advances	13	84.73	116.81
(c) Other noncurrent assets	14	4.82	2.63
2 Current assets			
(a) Current investments	15	61.41	21.71
(b) Inventories	16	108.95	6.87
(c) Trade receivables	17	196.19	0.20
(d) Cash and cash equivalents	18	90.43	0.25
(e) Short term loans and advances	19	87.65	69.23
(f) Other current assets	20	61.10	21.61
Total		11,507.07	10,119.15
See accompanying notes 1 to 44 forming part of the financial statements			

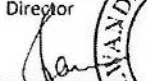
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

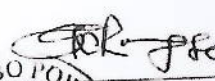


Jitendra Agarwal
Partner
Place: New Delhi
Date: 17th April, 2015

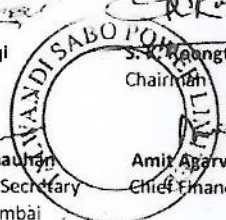


For and on behalf of the Board of Directors


M. Siddiqi
Director


Pankaj Chauhan
Company Secretary
Place: Mumbai


S. V. Raongta
Chairman

Amix Agarwal
Chief Financial Officer



Talwandi Sabo Power Limited
Statement of Profit and Loss for the year ended 31st March, 2015

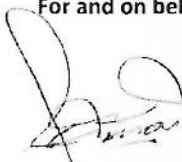
Particulars	Note No.	For the year ended	For the year ended
		31st March, 2015	31st March 2014
		Amount (Rs. crores)	Amount (Rs. crores)
I Revenue:			
Revenue from operations	21	496.57	-
Other Income	22	0.04	-
II Total Revenue		496.61	-
III Expenses:			
Power & Fuel expenses		331.55	-
Employee benefit expenses	23	8.40	-
Finance costs	24	84.86	-
Depreciation and amortization expense		51.99	-
Other expenses	25	58.41	46.89
IV Total expenses		535.21	46.89
V Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		(38.60)	(46.89)
VI Exceptional items			
VII Profit/(Loss) before extraordinary items and tax (III - IV)		(38.60)	(46.89)
VIII Extraordinary items			
IX Profit/(Loss) before tax		(38.60)	(46.89)
X Tax expense			
XI Profit/(Loss) after tax for the year		(38.60)	(46.89)
XII Earnings per equity share (of Rs. 10 each) :			
(1) Basic		(0.14)	(1.01)
(2) Diluted		(0.14)	(1.01)
See accompanying notes 1 to 44 forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

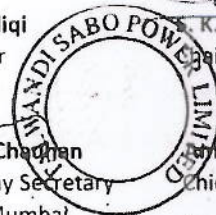

Jitendra Agarwal
Partner
Place: New Delhi
Date: 17th April, 2015


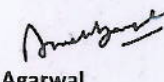


For and on behalf of the Board of Directors


M. Siddiqi
Director


Pankaj Chaudhan
Company Secretary
Place: Mumbai




S. K. Roongta
Chairman

Amit Agarwal
Chief Financial Officer

Talwandi Sabo Power Limited			
Cash Flow Statement for the year ended 31st March, 2015			
Amount (Rs. crores)			
	PARTICULARS	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A	Cash flows from operating activities		
	Net Profit/(Loss) before tax	(38.60)	(46.89)
	Adjusted for :		
	Unrealised exchange Loss	14.55	32.26
	Depreciation and Amortisation Expenses	51.99	-
	Finance Cost	84.86	-
	Marked to Market (Gain)/Loss on Derivatives	23.93	12.35
	Loss on Sale of Fixed Asset	-	0.01
	Operating loss before working capital changes	136.73	(2.27)
	Changes in Working Capital:		
	Adjustments for (increase) / decrease in operating assets:		
	(Increase)/Decrease in Inventory	(102.08)	-
	(Increase)/Decrease in Trade Receivables	(196.00)	-
	(Increase)/Decrease in loans and advances and other current assets	(69.39)	-
	Adjustments for increase / (decrease) in operating liabilities:		
	Increase/ (Decrease) in other liabilities and provisions	21.98	-
	Cash used in operations	(208.76)	(2.27)
	Direct taxes (paid)/Refund	-	(0.05)
	Net cash from / (used in) operating activities	(208.76)	(2.32)
B	Cash flows from investing activities		
	Purchase of fixed assets including capital work in progress, pre-operative expenses and capital advances	(1,259.59)	(1,383.86)
	Purchase of Investment (Mutual Funds)	(1,262.21)	(662.80)
	Sale of Investments	1,222.51	644.09
	(Increase)/Decrease in Inventory	-	(6.87)
	(Increase)/Decrease in Trade Receivables	-	(0.20)
	(Increase)/Decrease in loans and advances and other current assets	-	(32.88)
	Increase/ (Decrease) in other liabilities and provisions	-	34.25
	Net cash from / (used in) investing activities (ii)	(1,299.29)	(1,408.27)
C	Cash flows from financing activities		
	Repayment of Buyers Credit	(1,490.88)	420.69
	Proceeds from Debentures	824.40	-
	Proceeds from Rupee Term Loan	499.64	-
	Proceeds from Commercial Papers	1,940.74	630.90
	Proceeds from Intercompany Deposits	300.00	633.61
	Interest and Finance Charges Paid	(475.67)	(275.27)
	Net cash from / (used in) financing activities (iii)	1,598.23	1,409.93
	Net (decrease)/increase in cash and cash equivalents (i+ii+iii)	90.18	(0.65)
	Cash and cash equivalents at beginning of the year	0.25	0.91
	Cash and cash equivalents at close of the year [Refer Note 18 to the financial statements]	90.43	0.25

Note :

- (i) Previous year's figures have been regrouped/ rearranged, wherever necessary.
(ii) Issuance of Equity Shares to Sesa Sterlite Limited against loan payable to it amounting to Rs. 706.61 crores (previous year Rs. 2099.95 crores) has been considered as non-cash item. Also see note 3(v).

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Amendra
Amendra Agarwal
Partner
Place: New Delhi
Date: 17th April, 2015



For and on behalf of the Board of Directors

M. Siddiqi
M. Siddiqi
Director

Pankaj Chauhan
Pankaj Chauhan
Company Secretary
Place: Mumbai

S. K. Bhatnagar
S. K. Bhatnagar
Chairman

Amendra
Amendra Agarwal
Chief Financial Officer



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

1 Company's Overview :

Talwandi Sabo Power Limited (herein after referred as "TSPL") 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 MW coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Sesa Sterlite Limited (herein after referred as "SSL") [formerly known as Sterlite Energy Limited (SEL)] pursuant to the selection of SSL 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 PSEB for a period of 25 years and other necessary documents were signed between SSL, TSPL and PSPCL on September 01, 2008.

In view of the scheme of amalgamation and arrangement amongst the group companies and made effective during the previous year with the effective date of August 17, 2013, Sesa Sterlite Limited became the holding company of TSPL.

2 Significant Accounting Policies :

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2(h).

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Differences between the actual results and estimates are recognized in the periods in which the results are known/materialise.

(c) Fixed Assets (Tangible and Intangible)

Fixed assets are recognised at cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use, less accumulated depreciation, amortization and impairment loss. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(d) Expenditure During Construction

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.

(e) Investments

Long term investments are carried individually at cost less any provision for diminution/ impairment, other than temporary, in the value of investments. Investments are recorded as long term investments unless they are expected to be sold within one year. Current investments are carried individually, at lower of cost and fair Value. Investments are reviewed for impairment at the year end.

(f) Employees Benefits

i. Short term

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

ii. Long term

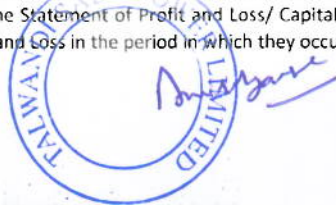
Defined contribution plans:

The Company's contribution to Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable, as incurred.

iii. Defined benefit plans:

Employee benefits in the form of Gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation carried out at the year end using the Projected Unit Credit Method and charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

iv. Liability for compensated absences is determined on the basis of an actuarial valuation carried out at the end of the year using the Projected Unit Credit Method and charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

(g) Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

(h) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 subject to following deviations:

- a. Certain Plant & Machinery items are being depreciated over 5 -20 years in accordance with its use.
- b. Individual items of assets costing up to Rs. 5,000 are wholly depreciated in the year of purchase.

In respect of Plant and Equipment, the life of the assets has been assessed at 40 years based on management's assessment of independent technical evaluation / advice, taking into account, inter-alia, the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. The said life of Plant and Equipment is also in accordance with the life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over its expected useful life.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(i) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

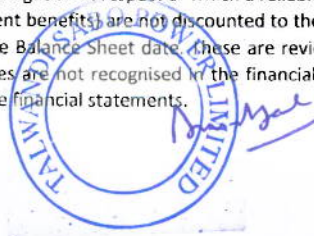
(j) Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. A Contingent asset is neither recognised nor disclosed in the financial statements.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

(l) Foreign Currency Transactions

- (i) Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate of date of transaction.
- (ii) All monetary items denominated in foreign currencies at the reporting date are restated at the rate prevailing on the reporting date. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.
- (iii) Exchange differences relating to long term monetary items falling under Accounting Standard 11 are accounted as under:
 - (a) In so far as they relate to the acquisition of a depreciable capital asset added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (b) In other cases accumulated such differences in "Foreign Currency Monetary Item Translation Difference Account" and amortized to the Statement of Profit and Loss over the balance life of the long term monetary item but not beyond March 31, 2020.
- (iv) Exchange difference relating to short term monetary items are accounted in the Statement of Profit and Loss.

(m) Derivative Instruments

In order to hedge its exposure to foreign currency risk, the Company enters into foreign currency forward contracts.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in hedging reserve account. Any cumulative gain or loss on the hedging instrument recognized in hedging reserve is kept in hedging reserve until the forecast transaction occurs. Amounts deferred to hedging reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognized directly in equity are removed, and are included in the initial cost or other carrying amount of the asset or liability

Derivative financial instruments that do not qualify for hedge accounting are recognised in accordance with AS- 11 "The Effects of Changes in Foreign Exchange Rates" where the premium arising at the inception of such a derivative is amortised over the life of the derivative instrument. Similarly Exchange differences on such derivative instruments are recognised in the statement of Profit and Loss in respective year.

(n) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on 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.

(o) Cash flow statement

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

(p) Inventories

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

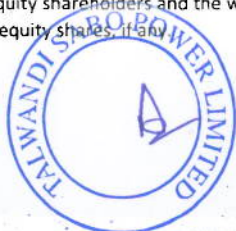
(q) Revenue recognition

Revenue is recognised when no significant uncertainty as to the measurability and collectability exists. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(r) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post-tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax (including the post-tax effect of extraordinary items, if any) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.



Note 3 -Share Capital :

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	Amount (Rs. crores)	Number of shares	Amount (Rs. crores)
Authorised Share Capital				
Equity Shares of Rs.10 each, with voting rights	4,000,000,000	4,000.00	2,500,000,000	2,500.00
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs.10 each, with voting rights	3,206,609,692	3,206.61	2,500,000,000	2,500.00
Total	3,206,609,692	3,206.61	2,500,000,000	2,500.00

(i) Disclosure of number of shares outstanding for each class of shares as at 31st March, 2015 :

Particulars	Equity Shares as at 31st March 2015	
	Number of shares	Amount (Rs. crores)
Shares outstanding at the beginning of the year	2,500,000,000	2,500.00
Movement during the year (Right Issue)	706,609,692	706.61
Shares outstanding at the end of the year	3,206,609,692	3,206.61

(ii) Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates :

3,206,609,692 (Previous Year: 2,500,000,000) Equity Shares i.e. 100% of the equity shares are held by the Holding Company, Sesa Sterlite Limited and its nominees. The Ultimate Holding Company, Vedanta Resources Plc., United Kingdom, does not hold any equity share in the Company.

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

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Sesa Sterlite Limited and its nominees	3,206,609,692	100	2,500,000,000	100

Other disclosures :

- (iv) The Company has one class of Equity Shares having a par value of Rs 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.
- (v) The Board of Directors of the Company in its meeting held on 16 October, 2014 approved the issue of Equity Shares of Rs. 10 each against repayment of outstanding debt (including outstanding interest thereon), availed from Sesa Sterlite Limited. Total outstanding amount included the interest thereon till 6 November, 2014 i.e. the date of TSPL's Shareholders approval amounted to Rs. 706.61 crores. Accordingly, pursuant to Section 62 and other applicable provisions of Companies Act, 2013 the Company in its Board Meeting held on 4 December, 2014 allotted 706,609,692 Equity Shares of Rs. 10 each in the name of its holding Company Sesa Sterlite Limited.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 4 - Reserves and surplus

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Surplus/ (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(86.54)	(39.65)
Add: Profit/ (Loss) for the year	(38.60)	(46.89)
Closing Balance	(125.14)	(86.54)
Total	(125.14)	(86.54)

Note 5 - Long-term borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Secured :		
(a) Debentures :	2,325.00	1,500.00
(i) 15,000 (Previous Year: 15,000) 9.8% Secured Redeemable Non Convertible Debentures (NCD) of Rs. 1,000,000 each on a private placement basis having tenure of 13 years from the respective date of allotment, repayable in twelve equal quarterly instalments after 10 years of allotment. Redemption of the debentures will start from 9 March, 2021. [Secured by first pari passu charge on the assets of the company both present and future, with a minimum asset cover of 1.25 times during the lifetime of the NCDs (including the Debt Service Reserve Account) and unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited]		
(ii) 1,200 (Previous Year: NIL) 9.6% Secured Redeemable Non Convertible Debentures (NCD) of Rs. 1,000,000 each on a private placement basis having tenure of 2 years from the respective date of allotment, repayable on 16 September, 2016.		
(iii) 1,800 (Previous Year: NIL) 9.7% Secured Redeemable Non Convertible Debentures (NCD) of Rs. 1,000,000 each on a private placement basis having tenure of 3 years and 2 days from the respective date of allotment, repayable on 18 September, 2017.		
(iv) 2,000 (Previous Year: NIL) 9.27% Secured Redeemable Non Convertible Debentures (NCD) of Rs. 1,000,000 each on a private placement basis having tenure of 2 years and 364 days from the respective date of allotment, repayable on 10 November, 2017.		
(v) 3,250 (Previous Year: NIL) 8.91% Secured Redeemable Non Convertible Debentures (NCD) of Rs. 1,000,000 each on a private placement basis having tenure of 3 years and 1 month from the respective date of allotment, repayable on 27 April, 2018.		
[Loans covered in point (ii) to (v) above are secured by first pari passu charge on the movable assets of the company both present and future, with a minimum asset cover of 1.1 times during the lifetime of the NCDs and unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited]		
[See Note (i) below]		



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 5 - Long-term borrowings (contd.)

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(b) Rupee Term Loan (RTL) : Terms of repayment and interest rate: Interest rate of 10.1% with a tenure of 86 months and repayment on quarterly basis starting from 31 December, 2015. [Secured by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited and first charge on pari passu basis on all the movable and immovable assets of the Company]	500.00	-
(c) Buyer's Credit from banks :	5.33	1,359.79
(i) Buyer's Credit from ICICI Bank Rs. 5.33 crores (Previous Year Rs. 791.36 crores) [Secured by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited and first charge on pari passu basis on all the movable assets of the Company]		
(ii) Buyer's Credit from AXIS Bank Rs. NIL (Previous Year Rs. 568.43 crores) [Secured by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited and subservient charge on the current assets and movable fixed assets of the company] [See note (ii) below]		
Less : Current maturities of long-term borrowings disclosed under "Other current liabilities" [See Note 10(a)]	(49.33)	(1,354.70)
Total (A)	2,781.00	1,505.09
Unsecured:		
Buyer's Credit from banks : [Guaranteed by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited] [See note (ii) below]	448.56	802.33
Less : Current maturities of long-term borrowings disclosed under "Other current liabilities" [See Note 10(a)]	(179.35)	(802.33)
Total (B)	269.21	-
Total (A + B)	3,050.21	1,505.09

Note -(i): As per Section 71(4) of the Companies Act, 2013, a Company shall create a Debenture Redemption Reserve for the redemption of debentures to which adequate amount shall be credited out of its profits every year until such debentures are redeemed. In the absence of profits during the year, the Company has not created the said reserve.

Note -(ii): The rates of interest ranging from 0.86% to 1.75% with tenure ranging from 6 months to 2 years and other terms of repayment for these buyer's credit are based on the agreements with the respective banks and the nature of such buyer's credit.

Note 6 - Other long-term liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(a) Retention Money	639.21	601.72
(b) Derivative Liability (Non Current)	-	0.23
Total	639.21	601.95



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 7 - Long-term provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Provision for employee benefits :		
(a) Provision for compensated absences	0.37	0.32
(b) Provision for gratuity (See Note 39)	0.22	0.13
Total	0.59	0.45

Note 8 - Short-term borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Secured		
(a) Buyer's Credit from banks :	588.08	288.53
[Secured by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited and subservient charge on the current assets and movable fixed assets of the Company]		
[See note (i) below]		
Total (A)	588.08	288.53
Unsecured		
(a) Loans and advances from related parties :		393.66
(i) Sesa Sterlite Limited		
(Inter Corporate Loan repayable on demand) (See Note 41)		
[See Note (ii) below]		
(b) Buyer's Credit from banks :	64.05	437.24
[Guaranteed by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited]		
[See Note (i) below]		
(c) Commercial paper :	2,610.00	640.00
[Guaranteed by unconditional and irrevocable corporate guarantee by Sesa Sterlite Limited]		
[See Note (i) below]		
Total (B)	2,674.05	1,470.90
Total (A+B)	3,262.13	1,759.43

Note -(i): The rates of interest ranging from 0.47% to 0.93% with tenure ranging from 1 year to 3 years and other terms of repayment for these buyer's credit are based on the agreements with the respective banks and the nature of such buyer's credit.

Note -(ii): The Board of Directors of the Company in its meeting held on 16 October, 2014 approved the issue of Equity Shares of Rs. 10 each against repayment of outstanding debt (including outstanding interest thereon), availed from Sesa Sterlite Limited. Total outstanding amount included the interest thereon till 6 November, 2014 i.e. the date of TSPL's Shareholders approval amounted to Rs. 706.61 crores. Accordingly, pursuant to Section 62 and other applicable provisions of Companies Act, 2013 the Company in its Board Meeting held on 4 December, 2014 allotted 706,609,692 Equity Shares of Rs. 10 each in the name of its holding Company Sesa Sterlite Limited.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 9 - Trade payables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(a) Trade Payables - other than acceptances	22.88	-
Total	22.88	-

Note 10 - Other current liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(a) Current maturities of long-term borrowings (For terms of repayment see note (ii) of note 5 above)	228.68	2,157.03
(b) Interest accrued but not due on borrowings	50.69	33.35
(c) Other payables		
- Retention Money	739.85	705.64
- Earnest Money Deposit	3.38	0.55
- Advances from Customer	0.44	-
- Project Creditors	356.90	658.35
- Statutory Dues	2.10	5.83
- Due to Related Parties (See note 41)	0.62	2.05
- Other Liabilities	36.93	36.03
- Derivative Liability	22.09	220.01
- Forward Premium Liability	8.85	19.82
Total	1,450.53	3,838.66

Note 11 - Short-term provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Provision for employee benefits :		
(a) Provision for compensated absences	0.02	0.04
(b) Provision for gratuity (See Note 39)	0.03	0.07
Total	0.05	0.11



Talwandi Sabo Power Limited
Notes forming part of the financial statements for the year ended 31st March, 2015

Note 12 - Fixed Assets

Particulars	Gross Block		Accumulated Depreciation		Net Block		
	Balance as at 1st April, 2014	Additions	Balance as at 31st March, 2015	Balance as at 1st April, 2014	Depreciation charge	Balance as at 31st March, 2015	Balance as at 31st March, 2014
a) Tangible Assets							
Land (Free hold)	384.76 (-)	5.84 (384.76)	390.60 (384.76)	(-)	(-)	390.60 (384.76)	384.76 (-)
Buildings	1.15 (1.15)	83.25 (-)	84.40 (1.15)	0.93 (0.73)	1.04 (0.20)	82.43 (0.22)	0.22 (0.43)
Plant & Machinery	-	4,631.79 (-)	4,631.79 (-)	-	46.38 (-)	4,585.41 (-)	-
Furniture and Fittings	0.71 (0.60)	0.17 (0.11)	0.88 (0.71)	0.25 (0.22)	0.07 (0.03)	0.55 (0.46)	0.46 (0.39)
Motor Vehicles	0.14 (0.14)	0.10 (-)	0.24 (0.14)	0.02 (0.01)	0.03 (0.01)	0.19 (0.12)	0.12 (0.13)
Railway Siding & Locomotives	-	178.38 (-)	178.38 (-)	-	3.71 (-)	174.67 (-)	-
Office and Equipment	2.09 (2.05)	0.97 (0.04)	3.06 (2.09)	0.27 (0.17)	0.94 (0.10)	1.85 (1.82)	1.82 (1.87)
Computers & Data Processing Units	1.08 (0.95)	0.49 (0.13)	1.57 (1.08)	0.46 (0.30)	0.34 (0.16)	0.77 (0.62)	0.62 (0.65)
Laboratory Equipment	-	13.40 (-)	13.40 (-)	-	0.42 (-)	12.98 (-)	-
Sub - Total	389.93 (4.89)	4,914.39 (385.04)	5,304.32 (389.93)	1.93 (1.43)	52.93 (0.50)	5,249.45 (388.00)	388.00 (3.47)
b) Intangible Assets							
Computer software (SAP Licenses)	1.95 (1.95)	-	1.95 (1.95)	0.70 (0.14)	0.56 (0.56)	0.69 (1.25)	1.25 (1.81)
Sub - Total	1.95 (1.95)	-	1.95 (1.95)	0.70 (0.14)	0.56 (0.56)	0.69 (1.25)	1.25 (1.81)
Total	391.88 (6.84)	4,914.39 (385.04)	5,306.27 (391.88)	2.63 (1.57)	53.50 (1.06)	5,250.14 (389.25)	389.25 (5.28)

Notes:

- (i) Figures in brackets represent previous year's amounts.
- (ii) Additions during the year includes Rs. 4,895.93 crore on account of capitalisation of Unit 2 and its allied utilities.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 13 - Long-term loans and advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Unsecured, considered good :		
(a) Capital Advances	77.04	110.94
(b) Security Deposits	5.77	5.74
(c) Advance Tax and TDS Receivable	0.73	0.13
(d) Derivative Assets	1.19	-
Total	84.73	116.81

Note 14 - Other noncurrent assets

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(a) Bank deposits with more than twelve months maturity (Under lien)	0.02	0.01
(b) Unamortized Debenture/RTL issue expenses	4.80	2.62
Total	4.82	2.63



Talwandi Sabo Power Limited
Notes forming part of the financial statements for the year ended 31st March, 2015

Note 15 - Current investments
Investments in mutual funds-unquoted*

Fund Particulars	Face value	No. of Units			Value of Investment		Amount (Rs. crores)
		Holding as at 31.03.2015	Holding as at 31.03.2014	Holding as at 31.03.2015	Holding as at 31.03.2014		
ICICI Pru Flexible Income Plan Premium- Daily Dividend Plan	Rs.100	443,448	516,504	4.69	5.46	5.46	
Tata Floater Fund- Daily Dividend Plan	Rs.1000	91,604	51,888	9.19	5.21	5.21	
Reliance Liquidity Fund- Daily Dividend Reinvestment Option	Rs.1000	109,023	53,795	10.91	5.38	5.38	
UTI Liquid Cash Plan- Daily Dividend Plan	Rs.1000	107,964	55,510	11.01	5.66	5.66	
Religare Liquid Fund- Daily Dividend Plan	Rs.1000	103,430	-	10.35	-	-	
TATA Liquid Super High Investment Fund -Daily Dividend Plan	Rs.1000	98,753	-	11.01	-	-	
ICICI Prudential Liquid Plan- Daily Dividend Reinvest	Rs.100	424,863	-	4.25	-	-	
Total		1,379,085	677,697	61.41	21.71	21.71	

*(See note 2(e) for mode of valuation)

Particulars	Amount (Rs. crores)	
	Balance as at 31st March, 2015	Balance as at 31st March, 2014
Aggregate amount of unquoted investments	61.41	21.71
Total	61.41	21.71



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 16 - Inventories*

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(a) Stores & Spares	9.51	3.04
(b) Fuel [includes stock in transit for Rs. 37.39 crs (Previous year Rs. NIL)]	99.44	3.83
Total	108.95	6.87

*(See note 2(c) for mode of valuation)

Note 17 - Trade receivables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Unsecured, considered good :		
(a) Trade receivables (Less than six months)	188.16	0.20
(b) Other Trade receivables	8.03	-
Total	196.19	0.20

Note 18 - Cash and cash equivalents

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Cash and cash equivalents :		
(a) Balances with banks - in current accounts *	11.93	0.25
(b) Bank deposits- in deposit accounts *	78.50	-
Total	90.43	0.25

* the above balances meet the definition of Cash and cash equivalents as per AS-3 Cash Flow Statements

Note 19 - Short-term loans and advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Unsecured, considered good :		
(a) Loans and advances to related parties (See note 41)	-	0.04
(b) Others		
- Advances against contracts	84.04	31.05
- Prepaid Expenses	1.64	0.54
- Derivative Assets	1.97	37.60
Total	87.65	69.23

Note 20 - Other current assets

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Other current assets :		
(a) Interest accrued but not due	0.02	-
(b) Unbilled Revenue	14.72	-
(c) Unamortised Expenses *	39.68	9.46
(d) Deferred Forward Premium	6.68	12.15
Total	61.10	21.61

* Unamortised expenses include unamortised portion of debenture issue expenses, discount on issue of commercial papers and expenses incurred in arranging of RTL



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Note 21 - Revenue from operations

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Revenue from Operations		
Energy Sales	500.10	-
Less: Cash Discount	(3.86)	-
Other Operating Revenue		
Sale of Fly Ash	0.33	-
Revenue from operations (Net)	496.57	-

Note 22 - Other income

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Other Non operating income	0.04	-
Total	0.04	-

Note 23 - Employee Benefits Expenses

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Salaries and wages	7.82	-
Contribution to Provident Fund	0.18	-
Staff Welfare expenses	0.40	-
Total	8.40	-

Note 24 - Finance costs

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
Interest expenses	84.43	-
Borrowing charges	0.27	-
Bank charges	0.16	-
Total	84.86	-

Note 25 - Other expenses

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount (Rs. crores)	Amount (Rs. crores)
(i) Manufacturing and operating costs		
Consumption of stores and spare parts	1.87	-
Other manufacturing and operating expenses	11.07	-
(ii) Administration		
Advertisement	0.16	-
CSR Expenses	0.29	-
Legal and Professional Fees	1.78	-
Electronic Data Processing expenses	0.32	-
Insurance	1.56	-
Rates and Taxes	0.16	-
Security expenses	0.18	-
Travelling	1.40	-
Health Safety and Environment expenses	0.29	-
Audit Fees	0.16	0.18
Director Sitting Fees	0.01	0.01
Marked to Market (Gain)/ Loss on Derivatives	23.93	(64.11)
Net Loss on foreign currency transactions	14.55	105.88
Miscellaneous Expenses	0.68	4.93
Total	58.41	46.89



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Additional Information to the Financial Statements :

26 (i) Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 601.78 crores (March 2014: Rs. 853.05 crores)

(ii) Other Commitments :

The Company has signed a long term PPA with PSPCL for supply of power generated from the power plant. The PPA has tenure of twenty five years.

27 During the year, with effect from April 1, 2014, the Company has revised the estimated useful lives of certain assets based on a technical study and evaluation of the useful life of the assets conducted in this regard and management's assessment thereof. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life based on SLM
Temporary Structures	20% / ~5 years	3 years
Office and Electrical Equipment	4.75 % / ~21 years	5 years
Computers and Data Processing Equipment	16.21% / ~6 years	3 - 6 years
Furniture and Fixtures	6.33% / ~15 years	10 years
Vehicles	9.5% / ~11 years	8 years

Consequent to the change arising from the assessment of the useful lives of certain assets as above, the depreciation charge and loss for the year in the Statement of Profit and Loss for the year are higher by Rs. 0.48 crores.

28 Contingent Liabilities :

(i) Details of Letters of Credit issued to suppliers and not provided for

Particulars	As at 31st March, 2015 Amount (Rs. crores)	As at 31st March, 2014 Amount (Rs. crores)
Letters of Credit	19.61	-
Total	19.61	-

(ii) Certain cases have been filed by the erstwhile land owners against the State of Punjab, which are pending in the Hon'ble District Court at Mansa. The Company has filed application for acceding as party to the dispute in the matter to safeguard its interest. Other than the above, except for one case all other land cases filed against the Company for enhancement of compensation were dismissed by the Hon'ble District Court at Mansa during the previous year.

(iii) TSPL had entered into a long term PPA with PSPCL for supply of power. Due to delay in fulfilment of certain obligations by PSPCL as per the PPA, other related reasons and force majeure events, there was a delay in implementation / completion of the project as compared to the PPA timelines. TSPL has received notices of claims from PSPCL seeking payment of Liquidated damages (LD) of Rs. 317.64 crores (maximum) each for delay in commissioning of Unit I, II and III totalling to Rs. 952.92 crores.

During the current year, PSPCL invoked the Performance Bank Guarantee of Rs. 150.00 crores to recover the LD on account of delay in Commercial Operation Date (COD) of 1st Unit. TSPL had filed a petition at Punjab State Electricity Regulatory Commission (PSERC) for adjudication of the above dispute. PSERC had ordered that the matter be adjudicated by Arbitrator and has ordered stay on invocation of Bank Guarantee to continue till matter is adjudicated by the Sole Arbitrator. PSPCL filed an appeal before Appellate Tribunal for Electricity (APTEL) against PSERC order, pleadings are complete and matter is schedule for hearing. On the basis of facts backed by legal opinion, no provision is considered necessary at this stage.

29 The Company has commenced operations and accordingly the unit 2 of Independent power plant (IPP) together with allied utilities at an amount aggregating to Rs. 4,895.93 crores was capitalised with effect from 1 December 2014.

30 SSL had entered into an EPC contract with SEPCO Electric Power Construction Corporation (SEPCO) for setting up of 1980 MW Independent Power Plant at Talwandi Punjab and had paid Rs. 493.75 crores as mobilization advance. The said contract has been novated in the name of TSPL by virtue of a novation agreement dated 17 November, 2009 between SSL, TSPL and SEPCO and all rights & obligations of SSL have been assigned to TSPL by virtue of the novation agreement. SSL has guaranteed to SEPCO to discharge TSPL's obligation, including right of recourse to SSL under the guarantee, in case of failure of TSPL to perform its obligations under the EPC contract.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

31 Auditors' Remuneration (including service tax)

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Audit Fees	0.13	0.13
Other Services	0.02	0.04
Out of Pocket Expenses	0.01	0.01
Total	0.16	0.18

32 Expenditure in Foreign Currency (on accrual basis)

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Travel expenses	0.06	0.06
Interest on Buyers' Credit	33.37	58.03
Total	33.43	58.09

33 Value of Imports calculated on CIF Basis

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Capital Goods	33.45	295.09
Total	33.45	295.09

34 Capital expenditure (net) during the year relates to the Company's project for construction of Thermal Power Plant in Punjab :

Capital Work-in-Progress includes:

Particulars	As at 31st March, 2015 Amount (Rs. crores)	As at 31st March, 2014 Amount (Rs. crores)
Capital Work in Progress (A)	8,076.80	7,797.35
Expenditure during Construction Period:		
Opening Balance (a)	1,693.23	876.83
Incurred during the year		
Expenses		
Employees' Remuneration and Benefits- (i)	21.65	26.32
Administrative and General Expenses- (ii)	341.30	182.96
Finance Expenses- (iii)	483.90	607.33
Depreciation- (iv)	1.50	1.07
Total Expenses- (b) =(i + ii + iii + iv)	848.35	817.68
Income		
-Infirm power Sale	(159.11)	(0.20)
-Dividend from Mutual Fund	(1.20)	(1.03)
-Interest & Other Income	(0.50)	(0.05)
Total Income- (c)	(160.81)	(1.28)
Net Expenditure During the Year- (d)= (b + c)	687.55	816.40
Closing Balance (B) =(a)+(d)	2,380.78	1,693.23
Total Capital Work in Progress (A+B)	10,457.58	9,490.58
Less: Assets (Unit 2) Capitalized during the year (c)	(4,895.93)	-
Total Capital Work in Progress (A+B-C)	5,561.65	9,490.58

35. There are no Micro Small or Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

36 Derivative contracts entered into by the Company and outstanding as at the balance sheet date are as follows :

For hedging currency and interest rate related risks: - Nominal amounts of outstanding derivatives contracts entered into by the Company, along with Marked to Market (MTM) loss/(gain) are as follows:

Particulars	As at 31st March, 2015 Amount (Rs. crores)	As at 31st March, 2014 Amount (Rs. crores)
Nominal Value of Forward Cover outstanding	2,202.45	4,441.47
MTM Loss/ (Gain)	18.93	190.49

Derivative and financial instruments acquired by the Company are for hedging purposes only.

The particulars of unhedged foreign currency exposure as at year end is as under :

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Amount (USD Mio)	Amount (Rs. crores)	Amount (USD Mio)	Amount (Rs. crores)
Buyer's Credit	-	-	20.14	121.07
Buyer's Credit Interest	0.72	4.49	3.78	22.68
Capital Creditors	96.21	602.17	70.40	423.10
Total	96.93	606.66	94.32	566.85

Disclosures under Accounting Standards :

37 Detail of Borrowing Cost capitalised as per AS-16:

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Detail of Borrowing Cost capitalised during the year under Capital Work in Progress	416.48	269.55

38 Earnings Per Share (EPS)

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Net profit/(loss) after tax attributable to equity shareholders	(38.60)	(46.89)
Nominal Value per share - in Rs.	10.00	10.00
Number of Equity Shares	3,206,609,692	2,500,000,000
Weighted average number of Equity shares for Basic EPS	2,728,438,202	463,336,164
Weighted average number of Equity shares for Diluted EPS	2,728,438,202	463,336,164
Earning Per Share -in Rs. -Basic and Diluted	(0.14)	(1.01)



Talwandi Sabo Power Limited
Notes forming part of the financial statements for the year ended 31st March, 2015

39 Employee Benefits

(i) Defined Contribution Plan:

The Company has recognized for the year ended 31st March, 2015, an amount of Rs. 0.91 crores (31st March, 2014: Rs. 0.70 crores) under defined contribution plan as follows:

Employees' Remuneration and Benefits	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Provident Fund	0.59	0.45
Superannuation	0.32	0.25
Total	0.91	0.70

(ii) Defined Benefit Plan:

The disclosure as required under AS-15 regarding the company's gratuity plan (funded) is as follows:

Actuarial assumptions

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.80%	8.00%
Discount rate (p.a.)	7.80%	9.00%
Mortality rate	IALM(2006-08)	IALM(2006-08)

Amount recognized in Expenditure during the period

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Current service cost	0.12	0.10
Past service cost	-	-
Interest cost	0.06	0.03
Expected return on plan assets	(0.03)	(0.02)
Net actuarial (gains)/losses recognized	0.18	0.10
Total *	0.33	0.21

Movement in present value of defined benefit obligation

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
Obligation at the beginning of the year	0.60	0.36
Current service cost	0.12	0.10
Past service cost	-	-
Interest cost	0.06	0.03
Actuarial (gains)/losses	0.18	0.11
Benefits paid	(0.22)	-
Obligation at the end of the year	0.74	0.60



Talwandi Sabo Power Limited
Notes forming part of the financial statements for the year ended 31st March, 2015

39 Employee Benefits (Contd.)

Movement in present value of plan assets

Particulars	As at 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)	For the year ended 31st March, 2015 Amount (Rs. crores)	As at 31st March, 2014 Amount (Rs. crores)
Fair value at the beginning of the year		0.40		0.20
Expected return on plan assets		0.03		0.02
Last Year Interest		-		0.02
Actuarial gains/(losses)		-		0.01
Contribution		0.28		0.15
Benefits paid		(0.22)		-
Fair value at the end of the year		0.49		0.40

Amount recognized in the Balance Sheet

Particulars	As at 31st March, 2015 Amount (Rs. crores)	As at 31st March, 2014 Amount (Rs. crores)	As at 31st March, 2013 Amount (Rs. crores)	As at 31st March, 2012 Amount (Rs. crores)	As at 31st March, 2011 Amount (Rs. crores)
Present value of obligation at the end of the year	0.74	0.60	0.36	0.21	0.14
Less: Fair value of plan assets at the end of the year	0.49	0.40	0.20	0.21	N.A.
Net liability recognized in the Balance Sheet	0.25	0.20	0.16	0.00	0.14

Experience adjustment on actuarial gain / (loss) for plan obligation and plan assets

Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)	For the year ended 31st March, 2013 Amount (Rs. crores)	For the year ended 31st March, 2012 Amount (Rs. crores)	For the year ended 31st March, 2011 Amount (Rs. crores)
On Plan Obligation	0.12	(0.21)	(0.08)	(0.03)	N.A.
On Plan Assets	(0.00)	0.01	0.01	-	N.A.

* The amount is included in the line item - "Employees' Remuneration and Benefits" under capital work in progress and statement of profit and loss account (Refer Note 34).

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.

In absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets and the percentage or amount for each major category to the fair value of total plan assets has not been disclosed.

The contribution expected to be made by the Company during the financial year 2015-16 as ascertained by the management is Rs. 0.22 crores (Previous Year Rs. 0.16 crores)



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

40 Arising from the announcement of the Institute of Chartered Accountants of India (ICAI) on 29th March, 2008, the Company has, since 2008-09, chosen to early adopt Accounting Standard (AS) 30, 'Financial Instruments: Recognition and Measurement'. Coterminous with this, in the spirit of complete adoption, as has been announced by the ICAI, the Company has also implemented the consequential limited revisions in view of AS-30 to certain Accounting Standards. However, there is no significant deviation from the other notified Accounting Standards arising from this adoption.

41 Related Party Disclosures

(a) Names of the related parties and nature of relationship where control exists:

Holding Companies

Immediate	: Sesa Sterlite Limited
Intermediate	: Vedanta Resources Plc *
Ultimate	: Volcan Investments Limited *

(b) Names of the related parties with whom transactions were carried out during the year and description of relationship:

Fellow Subsidiaries

: Hindustan Zinc Limited (HZL)
Bharat Aluminium Company Limited (BALCO)
Vizag General Cargo Berth Private Limited (VGCB)
Malco Energy Limited (MEL)
Sesa Mining Corporation Private Limited *
Sterlite Ports Limited *
Black Mountain Mining (Pty) Limited *
Western Cluster Limited *

(c) Key Managerial Personnel

Mr. S. K. Roongta *
Mr. M. Siddiqi *
Mrs. Pooja Somani * (w.e.f. 31.03.2015)

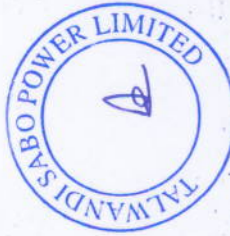
* No transaction with parties during the year



41 Related Party Disclosures (Contd.)

Transactions during the year with related parties

Sr No.	Nature of Transactions	Holding Company		Fellow Subsidiaries		Total Amount	
		FY 2015 Amount (Rs. crores)	FY 2014 Amount (Rs. crores)	FY 2015 Amount (Rs. crores)	FY 2014 Amount (Rs. crores)	FY 2015 Amount (Rs. crores)	FY 2014 Amount (Rs. crores)
1	Loans and Advances given/(received) during the year	(300.00)	(633.61)	-	-	(300.00)	(633.61)
2	Tax deducted during the year	1.44	-	-	-	1.44	-
3	Interest paid during the year	(14.39)	-	-	-	(14.39)	-
4	Loans and Advances balance as on 31st March	-	(393.66)	-	-	-	(393.66)
5	Recovery from / (Reimbursement to) for deputed Employees cost and other expenses-Net	(13.99)	(10.52)	(0.12)	0.02	(14.11)	(10.50)
6	Bank Guarantees/Corporate Guarantee issued on our behalf	6,975.74	5,089.63	-	-	6,975.74	5,089.63
7	Purchase / (sale) of Capital Goods/ Fixed Assets	0.17	-	0.01	-	0.18	-
8	Debit Balances as on 31st March	-	-	-	0.04	-	0.04
9	Credit Balances as on 31st March	0.56	2.00	0.06	0.05	0.62	2.05



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

41 Related Party Disclosures (Contd.)

Details of transactions during the year with related parties :		
Particulars	For the year ended 31st March, 2015 Amount (Rs. crores)	For the year ended 31st March, 2014 Amount (Rs. crores)
1) Loans & Advances (Sesa Sterlite Limited)		
(i) Balance at the beginning of the year	(393.66)	(1,860.00)
(ii) Given/(Received) during the year	(300.00)	(633.61)
(iii) Tax deducted during the year	1.44	-
(iv) Interest paid during the year	(14.39)	-
(v) Issue of shares in lieu of outstanding Loan	706.61	2,099.95
(vi) Balance as at year end	-	(393.66)
2) Recovery from / (Reimbursement to) for deputed Employees cost and other expenses -Net		
(i) Sesa Sterlite Limited (SSL)	(13.99)	(10.52)
(ii) Malco Energy Limited	0.01	(0.11)
(iii) Hindustan Zinc Limited (HZL)	(0.06)	0.03
(iv) Bharat Aluminium Company Limited (BALCO)	(0.08)	(0.08)
(v) Vizag General Cargo Berth Private Limited	0.00	0.01
(vi) Sesa Mining Corporation Private Limited	-	(0.00)
(vii) Sterlite Ports Limited	-	0.02
(viii) Black Mountain Mining (Pty) Limited	-	0.02
(ix) Western Cluster Limited	-	0.03
3) Bank Guarantees/Corporate Guarantee issued on our behalf as at the end of the year		
(i) Sesa Sterlite Limited (SSL)	6,975.74	5,089.63
4) Purchase / (sale) of Capital Goods/ Fixed Assets		
(i) Sesa Sterlite Limited (SSL)	0.17	-
(ii) Bharat Aluminium Company Limited (BALCO)	0.01	-
5) Debit Balances as at the end of the year		
(i) Hindustan Zinc Limited (HZL)	-	0.03
(ii) Malco Energy Limited	-	0.01
(iii) Sterlite Ports Limited	-	0.00
6) Credit Balances as at the end of the year		
(i) Sesa Sterlite Limited (SSL)	0.56	2.00
(ii) Bharat Aluminium Company Limited (BALCO)	0.06	0.05

42 The Company's activities during the year revolved around setting up and 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 Accounting Standard 17- 'Segment Reporting'.



Talwandi Sabo Power Limited

Notes forming part of the financial statements for the year ended 31st March, 2015

Disclosure on employee share based payments :

43 The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Plc (The Vedanta Resources Long-Term Incentive Plan ("LTIP") and Employee Share Ownership Plan ("ESOP").

The LTIP is the primary arrangement under which share-based incentives 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 balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse.

Vedanta has also granted a ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. During the year, Vedanta has granted ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years from the date of grant with 70% vesting based on the achievement of business performance and the remaining 30% based on continued employment with the group till the end of third year. Under these scheme, Vedanta is obligated to issue the shares.

Further, in accordance with the terms of agreement between Vedanta and Sesa Sterlite, on the grant date fair value of the awards is recovered by Vedanta from Sesa Sterlite.

Amount recovered by Vedanta and recognised by the company in the statement of profit and loss for the financial year ended March 31, 2015 was Rs. 2.67 Crore (previous year Rs. 2.04 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

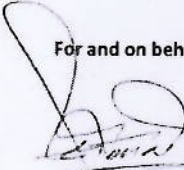
Previous year's figures


44 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

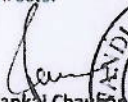
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Date: 17th April, 2015

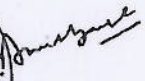


For and on behalf of the Board of Directors


M. Siddiqi
Director


S. K. Roongta
Chairman


Pankaj Chauhan
Company Secretary
Place: Mumbai


Amit Agarwal
Chief Financial Officer

