CHAIRMAN

Shri Rakesh Kumar

DIRECTORS

Shri. Nadella Naga Maheswar Rao

Shri. Shaji John

Smt. Nalini Padmanabhan

Shri. Mahendra Pratap

CHIEF EXECUTIVE OFFICER

Shri K.S.Gopalakrishnan

CHIEF FINANCIAL OFFICER

Shri D.Dhanapal

COMPANY SECRETARY

Shri R.Jayasarathy

STATUTORY AUDITOR

Price Patt & Co.,
Chartered Accountants,
H.O.: 44 (Old No. 108),
Sir P.S.Sivasamy Salai,
2nd Street, Mylapore,
Chennai - 600 004.

SECRETARIAL AUDITOR

A.K.Jain & Associates,
Company Secretaries,
No.2,(New No.3), Raja Annamalai Road,
First Floor, Purasawalkam,
Chennai - 600 084.

COST AUDITOR

Dhananjay V.Joshi & Associates,
Cost Accountants,
CMA Pride, Ground Floor,
Plot No. 6, S.No.16/6,
Erandawana Co.op.,Housing Society,
Erandawana,
Pune - 411 004.

REGISTERED OFFICE

First Floor, No.8, Mayor Sathyamurthy Road,
FSD, Egmore Complex of
Food Corporation of India,
Chetpet, Chennai - 600 031.

PRINCIPAL BANKERS & FINANCIAL INSTITUTION

Bank of India
State Bank of India
Power Finance Corporation Limited

CONTENTS

DIRECTORS' REPORT FOR THE YEAR 2018-19

Dear Members,

Your Board of Directors have pleasure to present the 13th Directors' Report on the business operation of the Company together with the Audited Accounts for the year ended 31st March 2019.

Your Board of Directors pleased to inform that your Company 2 x 500 MW Thermal Units were dedicated to the Nation by Shri Piyush Goyal, the then Hon'ble Union Minister of Railways and Coal on 04.03.2019.

Performance

Physical

During the year 2018-19, the Thermal Plant (2 x 500 MW) at Tuticorin generated Power of 5486.625 Million Units (MU) registering at an annual PLF of 62.63%.The total power surrendered by the beneficiaries during the year under review was 1359 MU and after considering the same your Company PLF would be 78.15%.

The details of generation and export of Power during the financial year 2018-19 as compared to the previous year are as under:

	Power Generation (MU)		Power Export (MU)	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Unit-1	3208.837	2634.941	2990.482	2446.735
Unit-2	2277.789	2778.054	2122.790	2579.627
Total	5486.625	5412.996	5113.271	5026.362

The reason for decrease in the generation of power as against the annual target of 7534 MU, was mainly attributable to Unit-2 Generator forced outage with effect from 16.01.2019.

Productivity

The output per man shift achieved during the year 2018-19 as compared to the previous year is given below:-

Product	Unit	2018-19	2017-18
Power	KWhr	90033	88598

Financial

During the year ended 31st March 2019, your Company has registered a power sale of ₹ 2750.09 crore as against ₹ 2799.70 crore recorded in the year 2017-18. The Revenue from Operations for the year 2018-19 was ₹ 2757.52 crore as against ₹ 2817.71 crore in the year 2017-18. The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2018-19 were ₹ 425.89 crore and ₹ 270.74 crore respectively as against ₹ 218.48 crore and ₹ 146.33 respectively in the year 2017-18.

The details of financial results of the Company for the year 2018-19 as compared to previous year are as under:

(₹ in crore)

Particulars	2018-19	2017-18
Total Income	2899.16	2899.83
Total Expenditure	1997.11	1906.81
Gross Margin	902.05	993.02
Less: Depreciation	375.04	361.86
Less: Finance Cost	457.28	412.68
Add: Net movement in regulatory deferral account balance Income/(Expense)	356.16	-
Profit Before Tax	425.89	218.48
Less: Total Tax Expense	155.15	72.15
Profit After Tax	270.74	146.33

Dividend

During the year 2018-19, the Board of Directors of your Company recommended a Dividend of 5%, (₹ 109.40 crore) subject to the approval of the Shareholders and the total dividend outgo works out to ₹ 131.89 crore (including dividend distribution tax of ₹ 22.49 crore).

Project Funding

Revised Cost Estimate (RCE-II) of 2 x 500 MW Tuticorin Thermal Power Project approved by the Ministry of Coal was ₹ 7293.48 Crore (June-2015 price level). As per the prevalent norms, the project is to funded with an equity and debt ratio of 30:70. As on 31st March 2019, the total equity share capital of ₹ 2188.04 crore has been fully subscribed by the Promoters viz., NLC India Limited (NLCIL) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) in the ratio of 89:11. Debt funding is being availed through Rupee Term Loans from Power Finance Corporation Limited (PFC) and Bank of India (BOI).

Capex

During the year 2018-19, your Company had spent CAPEX (accrual basis) for ₹ 61.75 crore.

Commercial

Power Allocation

The power share allocation from your Company to various states are as follows:

Beneficiary State/UT	MW	%
Andhra Pradesh	123.22	12.322
Karnataka	208.33	20.833
Kerala	72.50	7.250
Tamil Nadu	408.10	40.810
Telangana	152.33	15.233
Puducherry	35.52	3.552
Total	1000.00	100.000

Power Tariff

Central Electricity Regulatory Commission (CERC) constituted under the Electricity Regulatory Commission Act,1998, determines the Power tariff for generating companies owned or controlled by the Central Government and generators selling power to more than one State. On 11.07.2017, CERC had issued tariff order for the period from the date of COD to 2019. Review Petition has been filed by your Company with CERC on 25.08.2017 for review of the order dated 11.07.2017 on certain grounds. CERC has passed Order in respect of Review Petition on 26.12.2018 in which certain claims will be allowed at the time of truing up and certain other claims were disallowed. Appeal petition before APTEL against the decision of CERC with regard to the disallowed issues was filed on 10.02.2019. Interim truing up petition was filed for Un-discharged Liabilities and Tax on Return on Equity with CERC on 23.03.2019.

Final truing up petition for the period 2014-19 and Tariff Petition for determination of tariff for the period from 2019-24 has to be filed with CERC before 31.10.2019.

Power Dues / Realisation

The outstanding power sales dues from the beneficiaries to the Company as on 31st March, 2019 was ₹1575.62 crore as against ₹1174.86 crore for the corresponding period of the year ended 31st March, 2018.During the year 2018-19, Trade receivables (Net) as number of days of Revenue from Operations (Gross) was 210 days.

Reduction in claims against the Company not acknowledged as Debt-Total Claims

The reduction in claims against the company not acknowledged as Debt -Total Claims during the year 2018 -19 was 26.71%

Conservation of Energy, Technology absorption, Foreign Exchange Earnings & Outgo and Research & Development

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy

Your Company has celebrated Energy Conservation Week from 14th December 2018 to 20th December 2018 during which energy conservation and efficiency measures were propagated in and around the Company through distribution of Technical Data Card of NTPL, conducting competition viz., Slogans, Quiz for School Children, Employees, their Spouses, nearby industries etc.,

As a part of energy conservation measures, conventional light fittings were replaced by LED light fittings and there was a cost saving of ₹13.77 lakh in the year 2018-19.

(ii) The steps taken by the Company for utilising alternate sources of energy

NIL

(iii) The Capital investment on energy conservation equipment

LED Light Fittings - ₹47.11 Lakh.

(B) Technology absorption-

(i) The efforts made towards technology absorption

The following new initiatives have been taken up during this year.

- Implementation of in-house ABT scheduling in DCS and linking ABT with CMC.
- Implementation of automatic frequency correction of load of high frequencies.
- Implementation of auxiliary control valve ACV pressure control loop in TDBFP and drum level control through TDBFP ACV during light up
- Introduction of Resistant type Temperature Detectors (RTDs) in coal pipe to detect choke
- To increase the ash conveying capacity from Intermediate Silo to Main Silo, the air compressor motor rating was increased from 355 kW motor to 450 kW

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- The efforts taken as stated above increases/improves productivity.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL

(iv) The expenditure incurred on Research and Development: NIL

(C) Foreign Exchange Earnings & Outgo

Foreign Exchange inflow : NIL

Foreign Exchange outflow : ₹ 149.59 crore

Risk Management

Your Company has an approved risk assessment and minimisation procedure. The perceived potential risks along with mitigation measures are being periodically reviewed by the Board.

Compliance under Persons with Disabilities Act, 1995

Your Company ensures compliance of provisions under the Persons with Disabilities (PWD) Act, 1995 and as per the guidelines of Department of Personnel & Training (DoPT). Your Company has made certain arrangements/amenities to PWD's to fulfil their requirements so as to enable them to effectively discharge duties.

Compliance under the Right to Information Act, 2005

Your Company ensures compliance of provisions under the Right to Information Act, 2005. During the year 2018-19, there were twelve applications referred to the Company and the information sought were furnished in time. There was one appeal to the Appellate Authority against the information furnished for which reply has also been furnished.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy and in terms of the said notification, an annual target for the year 2018-19 for procurement from MSME was at 25 % and the achievement is 35.37%.

Compliance Under Apprenticeship Act, 1961

Your Company ensures compliance of provisions under the Apprenticeship Act, 1961. During the year 2018-19, 13 Apprentices were trained and 2132 training man-days was achieved.

Swachh Bharat Mission

In connection with the Clean India Mission (Swachh Bharat)-2018, apart from the regular Swachh Bharat Activities,your Company performed 'Swachhata Pakhwada' activities in and around factory premises/Township premises in the month of June 2018/August 2018 and 'Swachhata Hi Seva' Activities in the month of October 2018 Swachh Bharat Awareness outreach activities were carried out.

Human Resource Management

Your Company has competent and highly motivated human resource significantly contributing to the progress of the Company. Your Company maintains harmonious and cordial relationship among the employees and with other stakeholders that leads to achieving organisational as well as individual goals. Human resource has been the backbone of the Company. The thrust on achieving higher growth and optimal utilization of manpower continued in the year under review also. The total manpower of the Company as on 31st March, 2019 was 219.

Employee Development

Your Company has been continuously promoting training, learning initiatives for skill and competency building for employees and Contract Workmen. The training programme and module includes Technical, Functional and Behavioral. Total 236 employees and 1400 Contract Workmen were trained, totaling 3690 training man days for the year 2018-19.

Industrial Relations

In general, the industrial relations scenario of the organization remained by and large peaceful and cordial during the year 2018-19.

Implementation of Official Language Policy

In line with the policy of Government of India and the provisions under the Official Language Act,1963, your Company made all efforts to implement the policy and promote the Official Language during the year 2018-19.

Welfare Activities

- Blood donation camp was conducted to all employees & contract employees in arrangement with Government Hospital, Tuticorin on 20.06.2018
- Dengue eradication camp was conducted in Tsunami colony and Labour colony Tuticorin on 13.11.2018
- Free Eye camp was conducted for the general public in collaboration with District Blindness control Society, Tuticorin on 17.02.2019 at VOC Hall, Housing colony. 181 persons were screened, in which 14 persons were sent to Govt. Medical Hospital Tuticorin for further treatment.

Environmental Management and Sustainable Development Projects

Your Company practices and promotes the best environment management and is committed to environment friendly power generation. Your Company continues to plant trees in order to maintain the green belt in the Thermal Plant,Township premises and Port Trust area which helps in maintaining clean environment,dust suppression, noise control, lowering the atmospheric temperature and maintain ecological balance.

Safety

Your Company has taken many measures to maintain a safe working environment at work places viz., regular safety awareness training for contract workers, training programme for executives, Daily inspection for safety and house-keeping is being carried out by cross-functional team in all locations at site and corrective action is taken on priority basis for any unsafe conditions. The Mock drill for fire and rescue twice in a month, monthly safety review meeting, monthly safety committee members meeting to review the safety measures are being conducted. Display of safety sign boards, display of safety awareness message in LED board Safety and display of message / propaganda has been made by wall painting of safety pictures/images. Portable eye washer has been provided at various locations.

Safety awareness in-class training programme for contract workers have been conducted regularly and 3273 contract workers have attended the training in the year 2018-19.

Vigilance

In order to sensitize the employees of your Company measures such as Pro-active, Preventive and Punitive vigilance activities were undertaken by Vigilance Department. Besides Surprise checks, Regular Checks, CTE type examinations, quality check and study/inspection have been conducted and various system improvements were achieved.

As a part of the Vigilance Awareness and ethical character education, inter college and school competitions on the vigilance theme "Eradicate corruption – Build a New India" were held during the Vigilance Awareness Week celebration from 29th October 2018 to 3rd November 2018 and about 2000 students and faculty members had participated. During the year 2018-19 totally three complaints were received by Vigilance department and all the three complaints have been disposed of.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report is furnished in Annexure-1. The report on Corporate Governance together with Auditors Certificate on the compliance of Corporate Governance conditions stipulated as per DPE Guidelines on Corporate Governance are furnished in Annexure-2 & 3 respectively.

Corporate Social Responsibility (CSR)

Your Company has a CSR Policy in compliance with the provisions of Companies Act, 2013. During the year, an amount of ₹ 177.75 lakh has been spent towards De-silting of Korampallam Reservoir and clearing of seemai karuvelam plants, Installation of 2 Nos. of RO (1000 LPH) plant, Desilting and certain improvements in Tharuvai Urani in Mullakadu Village, providing borewell with sintex tanks, pumps at Cellseeni colony, Kather Meeran Nagar, Urani Otho veedu (2 Nos) & 3 cent of Tuticorin district, Kerala cyclone Flood Relief Materials, Gaja cyclone relief materials & work, Outdoor LED smart display video wall at Collector's Office and Battery operated cars for Temple. As per requirements of the Companies Act 2013, the report on CSR activities is furnished in Annexure-4.

Particulars of Employees:

Particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

Declaration by Independent Director

Declaration has been received from the Independent Director on meeting the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

Extract of Annual Return

The extract of the Annual Return in terms of section 134(3) read with 92(3) of the Companies Act, 2013 is placed in Annexure - 5.

Loans, Guarantees and Investments

During the year 2018-19, the Company has not granted any loan or guarantee or made any investments.

Transfer to Reserves

During the year 2018-19, no amount has been transferred to reserves.

Deposits

During the year 2018-19, the Company has not accepted any deposits from the public.

Material Changes affecting financial position occurring between the date of Financial statement and Directors Report

There were no Material Changes affecting financial position occurring between the date of Financial statement and Directors Report.

Sexual Harassment of women at Workplace

Employees of your Company are covered by the rules of Holding Company, NLC India Limited. In this regard, a separate Committee has been constituted by NLC India Limited for looking into the complaints relating to Sexual Harassment of Women at workplace. During the year 2018-19, no complaint has been received by the said Committee as regards to your Company.

AUDITORS

Statutory Audit

Price Patt and Co., Chartered Accountants, Chennai was appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2018-19, under Section 139 of the Companies Act, 2013. The Board of Directors of the Company have fixed ₹ 2,50,000/- plus applicable GST as the Statutory Audit Fees for the year 2018-19 in addition to reimbursement of out of pocket expenses at actual.

Secretarial Audit

A.K. Jain & Associates, Practicing Company Secretaries, Chennai was appointed as the Secretarial Auditor for the year 2018-19. The Secretarial Audit Report and reply to the observations of the Secretarial Auditor is furnished in Annexure- 6.

Internal Audit

J. Singh & Associates, Chartered Accountants, Chennai, was appointed as the Internal Auditor of the Company for the financial year 2018-19.

Cost Audit

Dhananjay V. Joshi & Associates, Cost Accountants, Pune was appointed as the Cost Auditor for the year 2018-19 to conduct the Cost Audit for the Power Plant of the Company.

C&AG Comments

C&AG Comments on the Financial Statements for the year ended 31st March, 2019 is furnished in Annexure -7.

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013
The Board of Directors declares: -

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Directors had prepared the annual accounts on a going concern basis and

e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Key Managerial Personnel

Shri.Shaji John had relinquished as the Chief Executive Officer of the Company w.e.f 20.02.2019 and in his place Shri. K.S.Gopalakrishnan was appointed as the Chief Executive Officer of the Company. The Board places on record its appreciation for the services rendered by Shri.Shaji John during his tenure as the Chief Executive Officer of the Company.

Board of Directors

Dr.Sarat Kumar Acharya, the then Chairman had relinquished his office with effect from 01.08.2018 on attaining the age of superannuation and in his place Shri. Rakesh Kumar was appointed as the Chairman of the Board of Directors of the Company.

Pursuant to the Ministry of Coal letter No.F.No.21/13/2011-ASO/BA dated 11th January 2019 Shri.Mukesh Choudhary (DIN 07532479) had relinquished as Director on the Board of the Company with effect from 11.01.2019 and in his place Shri.Mahendra Pratap (DIN 08355546), Deputy Secretary, Ministry of Coal was inducted in to the Board as an Additional Director of the Company (Part-time Director) with effect from 08.02.2019.

Shri.V.Thangapandian (DIN 07255163) representing NLCIL as Ex-Officio Director on the Board of the Company had relinquished his office with effect from 01.04.2019 on attaining the age of superannuation and in his place Shri.Shaji John (DIN 08418401) representing NLCIL Ex-Officio Director was inducted as an Additional Director on the Board of the Company with effect from 17.04.2019.Smt.S.Geetha (DIN 07770445) Director had relinquished her ofiice with effect from 01.07.2019 on attaining the age of superannuation.

The Board places on record its appreciation for the valuable contribution made by Dr.S.K.Acharya, Shri. Mukesh Choudhary, Shri. V.Thangapandian and Smt. S.Geetha during their tenure as Directors on the Board of the Company.

Shri. Nadella Naga Maheswar Rao,(DIN 08148117) Director retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-election.

Acknowledgement

The Board of Directors of your Company places on record their sincere appreciation for the continued support and guidance extended by the NLC India Limited, TNEB Limited, TANGEDCO, V.O Chidambaranar Port Trust, Ministry of Coal, Ministry of Power, Ministry of Finance, Ministry of Environment & Forest, Ministry of Surface Transport, Ministry of Shipping and Transport, Ministry of Industry, Ministry of Labour, Niti Aayog, DIPAM, DPE, Central Electricity Authority, Central Electricity Regulatory Commission, Central and State Government departments, State Electricity Boards and Beneficiaries of Tamil Nadu,Andhra Pradesh, Telangana, Karnataka, Kerala and Puducherry, Financial Institutions, Bankers, Mahanadi Coalfields Limited, Eastern Coalfields Limited, Eastern Railways, East Coastal Railways, MSTC and other agencies.

The Board of Directors of your Company is pleased to acknowledge with gratitude, co-operation and continued support extended by the Government of Tamil Nadu, District Administration of Tuticorin and the Statutory Authorities concerned. The co-operation and support by the Comptroller and Auditor General of India, Statutory Auditor,Internal Auditor,Secretarial Auditor,Cost Auditor,the Factory & Boiler Inspectorates, Director of Industrial Safety and Health, the Director of Boilers, Regional Labour Commissioner, Regional Provident Fund Commissioner and Central and State Pollution Control Boards, the Company's Bankers / financial Institutions need special mention and the Directors acknowledge the same. Your Directors wish to place on record their appreciation for the dedicated work put forth by the employees at all levels.

for and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Annexure - 1

Management Discussion and Analysis Report

Industry Structure and Development

Power

India is the world's third largest producer and third largest consumer of electricity. India per capita consumption is low when compared to other countries. India has surplus power generation capacity but lacks adequate infrastructure for supplying electricity to all who need it. In order to address the lack of adequate electricity supply to all the people in the country the Government of India launched a program called "Power for All" which intended to ensure continuous and uninterrupted electricity supply to all households industries and commercial establishments by creating and improving the necessary infrastructure. It is a joint collaboration between the Government of India and its constituent states, who will share funding and create overall economic growth.

Generation

The total power generation installed capacity as on 31.03.2019 was 356100.19 MW as against 344002.39 MW as on 31.03.2018. Out of that Thermal Power plants are contributing 226279.34 MW (63.54%) and renewable power plants by 77641.63 MW (21.80%) and the balance from other sources.(Source: CEA-Executive Summary, March, 2019).

As on 31.03.2019 all India total power generation installed capacity is owned by central sector @ 24%, State sector@30% and private sector@46%.

Conventional

The electricity generation target of conventional sources for the year 2018-19 was fixed as 1265 Billion Unit (BU). i.e. growth of around 4.87% over actual conventional generation of 1206.306 BU for the previous year 2017-18. The conventional generation during 2017-18 was 1206.306 BU as compared to 1160.141 BU generated during 2016-17, representing a growth of about 3.98%. (source: Ministry of Power -OM) Energy generation from conventional sources for the year 2018-19 was 1249.2 BU i.e. growth of 3.56% over the previous corresponding year. Further, a total capacity addition of 58,384 MW from conventional sources is envisaged for the period 2017-2022, consisting of 47,855 MW of coal-based power stations, 406 MW of gas based power stations,6823 MW of Hydro power stations and 3300 MW nuclear power stations.

Renewable Energy

The Generation of renewable energy up to March,2019 was 126759.09 MW as against 101839.48 MW up to March,2018. (Source: CEA Executive Summary, April, 2019). The growth in the generation of renewable energy was 24.47%.

SWOT Analysis

Strength

- The Company has a defined Vision and Mission.
- The Promoter Companies viz. NLC India Ltd.,(NLCIL) and Tamilnadu Generation and Distribution Corporation Ltd., (TANGEDCO) have best exposure and expertise in implementation of operation and maintenance of Power Projects.

- ❖ Experienced Management team with committed and experienced work force.
- ❖ Commitment to protect the stakeholder's interest.
- ❖ Financial support.
- ❖ Harmonious industrial relations.

Weakness

- ❖ Dependent on external suppliers for supply of required Coal.
- ❖ Lesser financial health of DISCOMS.

Opportunities

- ❖ Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- ❖ GoI aim to provide each household access to electricity, round the clock and improve the quality of life of people.
- ❖ Increase in the per capita consumption of power.
- ❖ Policy initiatives/ incentives for power sector.
- ❖ Launch of smart cities mission by the Government of India.
- ❖ Foraying into renewable energy sources.
- ❖ Trading of Power in the market.

Threat

- ❖ Surrender of Power by DISCOMS leads to underutilization of Thermal Capacity.
- ❖ Stringent environment norms being set by the Regulatory authorities.
- ❖ Delayed realisation of power dues from DISCOMS.
- ❖ Challenge posed by Renewable Energy to Thermal Generation.

Segment-Wise Performance

Company is not a Multi-Segmented Company.

Outlook

Power

Coal based Thermal Plant

Your Company has established 2x500 MW Coal based Thermal Power Plant at Tuticorin in Tamilnadu and commercial operation of Unit-1 & Unit 2 of the said Power Plant has been declared on 18.06.2015 & 29.08.2015 respectively. Capacity addition or establishment of new Power Projects will be considered at appropriate time based on its feasibility.

Risks and Concerns

- Stringent environmental norms prescribed by the respective authorities.
- Surrender of power by beneficiaries.
- Stringent operating norms by the regulatory Authorities.
- Delay in realisation of Power sales dues.
- Competition consequent to de-regulation in Indian Power Sector.

Internal Control Systems and their adequacy

The Internal audit is conducted by an external firm of Chartered Accountant covering all the areas of operations and the report is subject to review by the Audit Committee. The Company has adequate internal control systems and procedures commensurate with its size and nature of business. Audit Committee monitors the financial reporting process through review of periodical financial statements. The adequacy of internal control systems has been monitored by the Audit Committee. Further, the accounts of the Company are subject to C&AG audit in addition to the propriety audit conducted by them.

The effectiveness of compliance of Service Rules and Office Orders Is subjected to periodical HR audit carried out with an objective to identify the deficiency/deviations and for initiating appropriate corrective measures.

Discussion on Financial Performance with reference to operational performance

Covered in the main report.

Environment Protection& Conservation, Technological conservation, Foreign Exchange conservation

Covered in the main report.

Corporate Social Responsibility

Covered in the main report.

Material Developments in Human resources, Industrial Relation front, including number of people employed.

Covered in the main report.

Cautionary Statement

Statement in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates are forward looking statements and progressive within the meaning of the applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon the economic conditions, Government Policies and other incidental factors and hence it is cautioned not to place undue reliance on the forward looking statements.

for and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Annexure-2

REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements

Company's philosophy on Code of Corporate Governance

Transparency, accountability and integrity are the main ingredients of good Corporate Governance.Your Company as a corporate citizen adheres to the standards of corporate governance.

Board of Directors

The Board of Directors of your Company is headed by a Non-Executive Chairman and comprised of Non-Executive Directors. The composition of Board of Directors of the Company as approved by the Government of India is as follows:-

i) Directors representing NLCIL in ex-officio capacity		4
ii) Director representing Ministry of Coal		1
iii) Director representing TNEB (TANGEDCO)		1
v) Independent Directors		
a) Independent Director from NLCIL Board	1	
b) Other Independent Directors	2	3
	Total	9

As on 31st March,2019, the Composition of Board of Directors of the Company was not fully confirming to the composition approved by the Government of India since one ex-officio Director viz., Director (Finance) from NLCIL and two Independent Directors are required to be appointed on the Board of the Company. The appointment of one ex-officio Director viz., Director (Finance) from NLCIL on the Board of the Company will be made upon the appointment of Director (Finance) on the Board of NLCIL by the Government of India. With regard to the appointment of two more Independent Directors on the Board of the Company the matter has been referred to Ministry of Coal, the Administrative Ministry and the formal notification for appointment is awaited.

The particulars of the Board of Directors as on 31st March, 2019 and other details are furnished as follows:

Sl. No.	Name	Other Directorships held as on 31.03.2019	Other Committee* Membership held as on 31.03.2019	
	Directors representing NLCIL		As Member	As Chairman
1	Shri. Rakesh Kumar (DIN:02865335)	2	-	-
2	Shri. V. Thangapandian (DIN:07255163)	2	1	1
3	Shri. Nadella Naga Maheswar Rao (DIN:08148117)	2	2	-
	Director representing TANGEDCO			
4	Smt.S.Geetha (DIN:07770445)	5	-	-
	Director representing Ministry of Coal			
5	Shri. Mahendra Pratap (DIN: 08355546)	1	-	-
	Independent Director from NLCIL Board			
6	Smt. Nalini Padmanabhan (DIN: 01565909)	3	1	-

*Audit Committee and Stakeholders Relationship Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions, subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative and financial powers by the Board of Directors.Any proposal beyond the powers of CEO and particularly major decisions involving high value capital expenditure, annual plans, award of major contracts, mobilisation of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to all personnel matters are decided only at the Meetings of the Board/Sub-Committee of the Board as the case be applicable.

Date of Board Meetings and Directors' Attendance

During the financial year 2018-19 nine meetings of the Board of Directors were held on the following dates:- 23rd April 2018, 25th May 2018, 11th July 2018, 11th September 2018, 5th November 2018, 12th November 2018, 11th January 2019, 6th February 2019 and 26th March 2019.

Generally, at least one Board Meeting is held in every three months and minimum four such meetings are held every year and the time gap between two board meetings did not exceed three months.

The details of attendance of Directors at the Board Meeting held during the financial year 2018-2019 are as under:-

Sl. No.	Name	No. of Meetings attended	Remarks
1	Dr.Sarat Kumar Acharya	3	Relinquished w.e.f. 01.08.2018
2	Shri.Rakesh Kumar	9	
3	Shri.V. Thangapandian	9	
4	Shri. P. Selvakumar	2	Relinquished w.e.f. 01.06.2018
5	Shri.Nadella Naga Maheswar Rao	7	Inducted w.e.f. 29.06.2018
6	Shri.Mukesh Choudhary	3	Relinquished w.e.f. 11.01.2019
7	Smt.S. Geetha	6	
8	Smt.Nalini Padmanabhan	9	

Annual General Meeting Attendance

Dr.Sarat Kumar Acharya, the then Chairman, Shri.V.Thangapandian, the then Director, Shri.Rakesh Kumar, Shri.Nadella Naga Maheswar Rao, Smt. S.Geetha and Smt.Nalini Padmanahaban, Directors attended the last Annual General Meeting held on 31st July, 2018.

Board Committees

The following Sub-Committees have been constituted by the Board of Directors.

Sub-Committee of Board of Directors

A Sub-Committee of Board of Directors has been constituted to accord approval for pre-qualification requirements (PQR) and technical specification in respect of various packages/purchases/works undertaken by the Company for implementation of the Project and also to accord approval for short-listing of tenders, qualification of bidders on PQR, techno-commercial conditions, for placement of orders and entering into consultancy contracts as per the delegation granted by the Board. The Composition of Committee as on 31.03.2019, comprised Shri.Rakesh Kumar as its Chairman and Shri.V.Thangapandian, Shri Nadella Naga Maheswar Rao and Smt.S.Geetha as its Members.

Audit Committee

The terms of reference of Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013 and the DPE guidelines on Corporate Governance.

The Composition of Committee as on 31.03.2019 comprised Smt.Nalini Padmanabhan, Independent Director as its Chairperson and Shri.V.Thangapandian, Shri.Nadella Naga Maheswar Rao and Smt.S.Geetha Directors as its Members.In the absence of required no.of Independent Directors on the Board, the Committee could not be constituted in accordance with the requirements of DPE Guidelines on Corporate Governance. On appointment of two more Independent Directors, the Committee will be reconstituted as per the requirements.

During the financial year 2018-19, five meetings of the Audit Committee of the Board of Directors were held on the following dates:-

22nd April 2018, 25th May 2018, 11th September 2018, 9th November 2018 and 6th February 2019.

The details of attendance of Members at the Audit Committee Meetings of the Company held during the year 2018-2019 are as under:-

Sl. No.	Name	No. of Meetings attended	Remarks
1	Smt.Nalini Padmanabhan	5	
2	Shri.Rakesh Kumar	4	From 01.04.2018 to 09.11.2018
3	Shri.V.Thangapandian	5	
4	Shri.P.Selvakumar	2	Relinquished w.e.f. 01.06.2018
5	Shri.Nadella Naga Maheswar Rao	3	Inducted w.e.f. 11.09.2018
6	Smt.S.Geetha	3	

Note : Company Secretary is the Secretary to the Audit Committee.

Corporate Social Responsibility Committee

The terms of reference of the CSR Committee conform to the requirements of the provisions of the Companies Act, 2013.The Composition of Committee as on 31.03.2019 comprised Shri.V.Thangapandian Director as its Chairman and Shri.Nadella Naga Maheswar Rao,Smt.S.Geetha and Smt.Nalini Padmanabhan, Directors as its Members.

During the financial year 2018-19, three meetings of the CSR Committee of the Board of Directors were held on the following dates:-
11th September 2018, 6th February 2019 and 26th March 2019.

The details of attendance of Members at the CSR Committee Meetings of the Company held during the year 2018-2019 are as under:-

Sl. No.	Name	No. of Meetings attended	Remarks
1	Shri.V.Thangapandian.	3	
2	Shri.Rakesh Kumar	1	From 01.04.2018 to 09.11.2018
3	Smt.Nalini Padmanabhan	3	
4	Shri.Nadella Naga Maheswar Rao	2	Inducted w.e.f. 06.02.2019
5	Smt.S. Geetha	3	

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted with the terms of reference as notified in the Companies Act, 2013 from time to time limited to below Board Level employees only and DPE Guidelines for payment of Performance Related Pay (PRP).

The Composition of Committee as on 31.03.2019 comprised Smt. Nalini Padmanabhan, Independent Director as its Chairperson and Shri. Nadella Naga Maheswar Rao, Shri.V.Thangapandian and Smt.S.Geetha Directors as its Members. No meeting has been held during the year under review.

Presently the employees of NLCIL are transferred and posted in the Company and they are governed by the applicable rules of NLCIL including rules relating to payment of Performance Related Pay (PRP).

Remuneration to Directors

No Remuneration / Sitting Fee is being paid to any Part-time Official Directors. Except sitting fees of ₹ 5000/- for attending each Board/ Committee Meeting, no other remuneration is being paid to the Independent Directors.

Code of Conduct

As required under the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard a declaration signed by the Chief Executive Officer (CEO) is reproduced below:

> "I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2019".

General Body Meetings

The following are the details of General Body Meetings of the Company held in the last three years:-

Year	Date and Time	Venue
EGM	09.07.2016-17.00 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.
AGM 2015-16	12.09.2016-16.30 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.
AGM 2016-17	27.09.2017-10.00 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.
AGM 2017-18	31.07.2018 -11.00 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.

Special Resolutions:

An Extra-Ordinary General Meeting of the Company was held on 09.07.2016 and the following Special Resolutions were passed:

1. Amendment to Article 1.1 – Definitions of Articles of Association of the Company.
2. Increase in the Borrowing limits.
3. Creation of charge by way of Mortgage/Hypothecation of assets of the Company

Disclosures

Related Party Transactions

During the year, the Company did not enter into any contracts/ arrangements/transactions with any related parties which are not at arm's length basis and no material contracts/arrangements were entered into with them at arm's length basis. No materially significant related party transactions were entered into that may have potential conflicts with the interest of the Company at large.

None of the Directors / KMP's of the Company is Inter-se related as on 31.03.2019.

Other Disclosures

No penalties, strictures have been imposed on the Company by any Statutory Authorities on any matters relating to any guidelines issued by the Government during the last three years.

Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts.

Means of Communication

Financial statement is being reviewed by the Board represented by both the Promoters and have no communication was made through newspaper.

Plant Location

Coal based Thermal Power Plant (2x500 MW) is situated at Harbour Estate, Tuticorin, Tamil Nadu.

Audit Qualification

It is always the Company's endeavour to present unqualified financial statement.

Training of the Board Members

The Directors on the Board are fully aware of the business module of the Company.No training programme was undertaken by the Company for the Directors during the year 2018-19.

Whistle Blower Policy

The Company has formulated the Whistle Blower Policy which could provide adequate information to the employees with regard to implementation of vigilance mechanism in the Company and safeguards against victimization of employees who avail of the mechanism.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance Report and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of the Secretarial Auditor.

for and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Annexure-3

Price Patt & Co.
Chartered Accountants

H.O. : 44, (Old No.108), Sir P.S. Sivasamy Salai, 2nd Street, Mylapore, Chenni - 600 004.
Ph : 044 - 24996708, 2499 3234, 2466 1485 Email-id : pricepattca@gmail.com, pricepatt1965@gmail.com

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,
NLC Tamil Nadu Power Limited

1. We have examined the compliance of conditions of Corporate Governance by NLC Tamil Nadu Power Limited for the year ended 31st March 2019 as stipulated in the Guidelines of Corporate Governance notified by the Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of the opinion on the financial statement of the Company.
3. In our opinion and to the best of information and according to the explanation given to us and the representations made by the Directors and management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the guidelines of Corporate Governance for CPSE's notified by DPE except for the following :
   - i) As per the requirement of Clause 3.1.4 of the DPE guidelines on Corporate Governance stipulates that at least 1/3rd of the Board Members should be Independent Directors. However this has not been complied with.
   - ii) As per the requirement of Clause 4.1.1 of the DPE guidelines on Corporate Governance stipulates that two-third of the members of Audit Committee shall be Independent Directors.However this has not been complied with.
   - iii) As per the requirement of Clause 4.4 of the DPE guidelines on Corporate Governance stipulates that the quorum shall be either two members or 1/3rd of the members of the Audit Committee whichever is greater, but a minimum two Independent Directors must be present.However this has not been complied with.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Price Patt & Co
Chartered Accountants
Firm Regn. No.002783S

S R TAGAT
Partner
Membership No. 025332

Date : 27.05.2019
Place : Chennai

Annexure-4

NLC TAMIL NADU POWER LIMITED

Corporate Social Responsibility (CSR) Report

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

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 programme

The CSR Policy of the company aims for the betterment of the communities and in the local areas and area surrounding where it operates, it is proposed to spend around 75% of CSR Budget within Tamil Nadu and rest 25% anywhere in India. The CSR fund will be created as per the provisions of the Companies Act, 2013 i.e at least two percent (or the percentage may be fixed by the Govt. from time to time) of the average net profit of the company made during the three preceding financial years. The CSR policy and activities are subject to the provisions of the Companies Act, 2013 and DPE guidelines in this regard. The Broad activities under CSR will be in consonance with schedule VII of Companies Act, 2013. The key stake holders namely State/District Administration/local bodies and other agencies concerned will be regularly consulted to make the activities meet local needs. The CSR committee will monitor the implementation of CSR projects. The CSR policy and activities are displayed in the website of the Company(ntplpower.com/csrpolicy.pdf).

2. The Composition of the CSR Committee

1. Shri.Nadella Naga Maheswar Rao	-	Chairman
2. Shri.Shaji John	-	Member
3. Smt.S.Geetha	-	Member
4. Smt.Nalini Padmanabhan	-	Member

3. Average net profit of the Company for last three financial years
₹ 2793.83 lakh.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).
₹ 55.88 lakh.

5. Details of CSR spent during the financial year 2018-19

a) Total amount to be spent for the financial year : ₹ 55.88 lakh.

b) Amount unspent, if any : Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was under taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	De-silting of Korampallam Reservoir and clearing of seemai karuvelam plants	Environmental Sustainability	Thoothukudi (Local)	55.68	55.68	55.68	Direct
2	NTPL-Desilting and certain improvements in Tharuvai Urani in Mullakadu Village	Environmental Sustainability	Thoothukudi (Local)	9.14	9.14	9.14	
3	Watering and filling low lying area around the tree seedlings in green belt plantation area along roadside.	Environmental Sustainability	Thoothukudi (Local)	3.26	3.26	3.26	
4	Development & Maintenance of green belt plantation in area opposite to NTPL Township	Environmental Sustainability	Thoothukudi (Local)	8.79	8.79	8.79	
5	Maintenance of greenery in Thermal roundana	Environmental Sustainability	Thoothukudi (Local)	1.17	1.17	1.17	
6	Installation of 2 No's of RO (1000 LPH) Plant	Safe Drinking Water	Thoothukudi (Local)	9.38	9.38	9.38	
7	Providing borewell with Sintex tanks, Pumps at cellseeni colony,kather meeran Nagar, Urani otho veedu (2 nos) & 3 cent of Tuticorin district	Safe Drinking Water	Thoothukudi (Local)	2.50	2.50	2.50	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8	Kerala Cyclone Flood Relief Materials	Natural calamities	Kerala (Other State)	14.70	14.70	14.70	Direct
9	Gaja Cyclone Relief Materials & Work	Natural calamities	Nagapattinam (Local)	15.36	15.36	15.36	
10	Outdoor LED smart display video wall at collector's Office	Sanitation & Other Basic amenities	Thoothukudi (Local)	15.70	15.70	15.70	
11	Outdoor Poll mounted vandal - resistant IR Dome Network Camera with Net Work Video recorder at Collector's Office	Sanitation & Other Basic amenities	Thoothukudi (Local)	27.40	27.40	27.40	
12	Madras Management Association - Women Managers Convention - Sponsorship	Educational facilities	Other	0.5	0.5	0.5	
13	Battery operated Cars to Tiruchendur Temple and Rameshwaram Temple	Sanitation & Other Basic amenities	Thoothukudi (Local) & Aspiration Dist.	14.17	14.17	14.17	
			Total	177.75	177.75	177.75	

6. **In case of Company has failed to spend 2% 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 the Board Report :** Not Applicable.

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

   A responsibility statement of the CSR Committee is given below:

   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/- xx xx xx
Chief Executive Officer

Sd/- xx xx xx
Chairman of CSR Committee

Date : 26.06.2019

Annexure-5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN : U40102TN2005GOI058050

ii) Registration Date : 18.11.2005

iii) Name of the Company : NLC TAMIL NADU POWER LIMITED

iv) Category / Sub-Category of the Company : Government Company

v) Address of the Registered Office and contact details :

Address	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet.
Town / City	Chennai
State	Tamil Nadu
Pin Code:	600 031
Country Code	IN
Telephone	044 - 28364613-14
Fax Number	044 - 28364619
Email Address	cosec.ntpl@nlcindia.in
Website	www.ntplpower.com

vi) Whether listed Company : No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Power	35102	99.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	NLC India Limited, First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.	L93090TN1956GOI003507	Holding Company	89%	2 (46)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d)Bodies Corp*		218,80,42,000	218,80,42,000	100	194,73,56,980	24,06,85,020	218,80,42,000	100	-
e) Banks / FI									
f) Any Other….									
Sub-total (A) (1)		218,80,42,000	218,80,42,000	100	194,73,56,980	24,06,85,020	218,80,42,000	100	-
(2) Foreign									
a) NRIs -Individuals									
b) Other–Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2)		218,80,42,000	218,80,42,000	100	194,73,56,980	24,06,85,020	218,80,42,000	100	-
Total share holding of Promoter (A)= (A)(1)+(A)(2)		218,80,42,000	218,80,42,000	100	194,73,56,980	24,06,85,020	218,80,42,000	100	-

* includes 800 equity shares held by nominees on behalf of Promoter Companies.

B. Public Shareholding 1. **Institutions** a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt (s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify)			NA						
Sub-total (B)(1)		-	-	-	-	-	-	-	-
2. **Non-Institutions** a) Bodies Corp. i) Indian ii) Overseas b) Individuals i)Individual shareholders holding nominal Share capital upto ₹1 lakh ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh c) Others (specify)			NA						
Sub-total (B)(2)		-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)		-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)		218,80,42,000	218,80,42,000	100	194,73,56,980	24,06,85,020	218,80,42,000	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	NLC India Limited	194,73,57,380*	89	-	194,73,57,380	89	-	-
2	Tamilnadu Generation and Distribution Corporation Limited	24,06,84,620*	11	-	24,06,84,620	11	-	-
	Total	218,80,42,000	100	-	218,80,42,000	100	-	-

* Including the shares held by Directors / Nominees on behalf of the Promoters Companies

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	218,80,42,000	100	-	-
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc).	-	-	-	-
3.	At the end of the year	218,80,42,000	100	218,80,42,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	Dr. Sarat Kumar Acharya At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2019)	100**	-	100	-
2	Shri. Rakesh Kumar At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2019)	100	-	100	-
3	Shri. V. Thangapandian At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2019)	100***	-	100	-
4	Shri. P.Selvakumar At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
5	Shri. Nadella Naga Maheswar Rao At the end of the year (as on 31.03.2019)	100	-	100	-
6	Smt. S. Geetha At the beginning of the year	0	-	0	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	400****		400	
	At the end of the year (as on 31.03.2019)	400		400	

* Shares are held in the name of Directors / Nominees on behalf of Promoters Companies.
No KMP is holding any shares in the Company.

**Shares are held in the name of Shri. Prabhakar Chowki,Director, Mines/NLCIL as nominee on behalf of NLCIL w.e.f 27.05.2019.

***Shares are held in the name of Shri Shaji John, Director, as nominee on behalf of NLCIL w.e.f 27.05.2019.

****Shares are held in the name of Smt. S. Geetha, Director, as nominee on behalf of TANGEDCO w.e.f. 06.02.2019.

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2018)				
i) Principal Amount	44,95,56,28,521	750,00,00,000	-	52,45,56,28,521
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	84,47,161	-		84,47,161
Total (i+ii+iii)	44,96,40,75,682	750,00,00,000	-	52,46,40,75,682
Change in Indebtedness during the financial year 2018-19				
·Addition *	205,79,89,837	680,00,00,000	-	885,79,89,837
·Reduction	(467,64,27,049)	(750,00,00,000)	-	(1217,64,27,049)
Net Change	(261,84,37,212)	(70,00,00,000)	-	(331,84,37,212)
Indebtedness at the end of the financial year 2018-19 (as on31.03.2019)				
i) Principal Amount *	4233,71,91,309	680,00,00,000	-	4913,71,91,309
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,13,59,714	-	-	29,13,59,714
Total (i+ii+iii)	4262,85,51,023	680,00,00,000	-	4942,85,51,023

*Including working capital

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		-	-	-	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	NA	NA	NA	NA

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Smt.Nalini Padmanabhan	-	-	
1.	1.Independent Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	 85,000 - -	 - - -	 - - -	 85,000 0 0
	Total (1)	85,000	-	-	85,000
2.	Other Non-Executive Directors · Fee for attending Board/Committee Meetings · Commission · Others, please specify	 - - -	 - - -	 - - -	 - - -
	Total (2)	-	-	-	-
	Total (B)=(1+2)	85,000	-	-	85,000
	Total Managerial Remuneration	85,000	-	-	85,000
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel (Sarvashri)				
		Shri. Shaji John CEO (upto19-02-2019)	Shri. K.S.Gopalakrishnan CEO (from 20-02-2019 to 31-03-2019)	W. Jeyasingh Daniel CFO	R.Jayasarathy CS	Total
1.	Gross salary (a)Salary as per provisions contained in Sec17(1)ofthe Income-tax Act,1961	47,73,429	4,00,197	32,57,435	32,21,697	1,16,52,758
	(b)Value of perquisites u/s 17(2) Income-tax Act,1961	6,01,031	41,387	5,97,162	2,78,203	15,17,783
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-	-
5.	Others, please specify	10,65,058	78,768	7,30,887	5,04,657	23,79,370
	Total	64,39,518	5,20,352	45,85,484	40,04,557	1,55,49,911

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL.

for and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Annexure-6

A.K.Jain & Associates

Company Secretaries
No. 2, (New No.3), Raja Annamalai Road, First Floor, Purasawalkam,Chennai - 600 084

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To,
The Members,
NLC Tamil Nadu Power Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC Tamil Nadu Power Limited (CIN: U40102TN2005GOI058050)** (here in after called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Depositories Act, 1996 and the Regulations and the bye-laws framed there under;

(iii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under; **(Not applicable to the Company during the Audit period)**

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings; **(Not applicable to the Company during the Audit period)**

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

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

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

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

(d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999; **(Not applicable to the Company during the Audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

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

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

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

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 (Listing Regulations)
(Not applicable to the Company during the Audit period)

We further report that the Indian Electricity Act, 2003 and the rules made there under and Indian Boiler Act, 1923 and regulation made there under are specifically applicable to the Company.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

We have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (Standards).

(ii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines standards etc.,except for the following:

1. *The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.*

2. *The composition of the Audit Committee did not comply with requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.*

3. *In the absence of Independent Directors, the requirements with respect to quorum for the meetings of the Audit Committee of the Board Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.*

We further report that:

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

Generally adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance/at a shorter notice as per the provisions of the Act/ Regulations and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda or circulated at a shorter notice are considered vide supplementary agenda with the permission of the Chairman and with the consent of the Directors present in the meeting.

All the 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 based on the representations received from the officials/executives of the Company, 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 , there was no instances of:

i. Public/Right/Preferential issue of Share/ Debenture/ Sweat Equity etc.

ii. Redemption/Buy back of Securities.

iii. Major decisions taken by the members in pursuance to Section 180 of the Companies Act,2013.

iv. Merger/Amalgamation/ Reconstruction etc.

v. Foreign Technical collaborations.

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
M.No. F5869
C.P. No. 3550

Place : Chennai
Date : 07.05. 2019

Reply to the observations of Secretarial Auditor

Sl. No	Secretarial Auditor's Observations (as per Sl.No of the report)	Reply to the Observations of Secretarial Auditor
1.	The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	The Company is a Government Company and appointment of Directors (other than Directors representing in ex-officio capacity of the promoters Companies) is being made by the Ministry of Coal, Government of India, the administrative Ministry. Hence the power to appoint Independent Directors vests with Government of India. The Ministry of Coal was apprised of the requirements and requested for taking necessary action.
2.	The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.	In the absence of required numbers of Independent Directors on the Board, the requirements as prescribed could not be complied with. On appointment of required numbers of Independent Directors the requirements as prescribed would be complied with.
3.	In the absence of Independent Directors, the requirements with respect to quorum for the meetings of the Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.	

for and on behalf of the Board of Directors

Place : New Delhi
Date : 18.07.2019

RAKESH KUMAR
CHAIRMAN

Annexure-7

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NLC TAMIL NADU POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of NLC Tamilnadu Power Limited for year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act.This is stated to have been done by them vide their Audit Report dated 27.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC Tamilnadu Power Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementry audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai.

Place : Chennai
Date : 1st July 2019

Price Patt & Co.
Chartered Accountants
H.O. : 44, (Old No.108), Sir P.S. Sivasamy Salai, 2nd Street, Mylapore, Chenni - 600 004.
Ph : 044 - 24996708, 2499 3234, 2466 1485 Email-id : pricepattca@gmail.com, pricepatt1965@gmail.com

INDEPENDENT AUDITORS' REPORT

To

The Members of **M/s. NLC Tamilnadu Power Limited**

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. NLC Tamilnadu Power Limited ("the Company"),** which comprise the Balance sheet as at March 31,2019, the statement of Profit and Loss including statement of other comprehensive income, the Statement of Changes in Equity and Satement of Cash flow for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as " Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended,("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules there under, 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 opinion.

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.No.	Key Audit Matters	Auditor's Response
1	On 16.01.2019, Unit -2 of NTPL 2 x 500 MW Thermal Power Station tripped due to fire occurred near the generator end and the winding and other parts of the generator rotor got severely damaged. Consequently, Unit 2 was not in operation from that date, resulting in loss of revenue for the period up to 31.03.2019.	We found that vide agenda item No;82.14 in the Board meeting held on 6.02.2019 approval has been accorded for rectification of Unit 2 by recognizing the occurrence of the event.
2	The Company has filed interim truing up petition with CERC claiming an amount of ₹ 77,438/- lakhs towards discharged liabilities for capital expenditure from the date of commissioning up to 31.3.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹ 29,539/- Lakhs has been recognized under capacity charges as per regulation. The same is explained in detail in Note 29 and Note 42 to financial statements.	Interim tariff order dated 11.7.2017 granted by the CERC had set 31.03.2018 as cut-off date for claiming the balance un-discharged liabilities in respect of the capital expenditure covered under the original scope of the work as approved in the project cost. The Company has reviewed(assessed) the regulatory deferral balances in respect of income and expenditure with reference to the underlying activities that meet the recognition criteria as per CERC Regulations. We verified this with reference to CERC Tariff Advisory Order 2014-19, interim order dated 11.07.2017 and truing-up petition filed based on audited fianancials up to 31.03.2018.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters 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 including other comprehensive income of the Company in accordance with the Indian Accounting Standards (IndAS), including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard), Rules 2015 as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 are prudent; and the design, implementation and maintenance of adequate internal and financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting 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 rules made thereunder and order issued under section 143(11) of the Act.

We conducted our audit in accordance with the standards of Auditing, issued by the Institute of Chartered Accountants of India, as 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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.

Emphasis of Matter

1. Without qualifying our opinion, we draw attention to note number 21 of notes to balance sheet - "Regarding balances of Sundry Creditors, Debtors, Loans and advances and deposits which are subject to confirmation and reconciliation."
2. A sum of ₹ 7,22,26,139/- has been accounted during the year as rebate to DISCOMS (BESCOM - ₹ 6,65,27,250/-; MESCOM – ₹56,98,889/-) pertaining to past years after reconciliation during the year. This accentuates the stress on reconciling parties accounts regularly and / obtaining confirmation of balances at regular intervals.

Report on Other Legal and Regulatory Requirements

1. 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 our knowledge and belief were necessary for the purpose of 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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) As per the Notification No. G.S.R. 463(E) dated 05.06.2015, sub-section (2) of Section 164 of the Companies Act, 2013 is not applicable to Government Companies.

(f) We have no qualification, reservations or adverse remarks relating to the maintenance of accounts and the other matters connected therewith.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "ANNEXURE-A"

(h) With respect to the other matters included in the Auditor's 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 position in its 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.

2. 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 "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

3. As per directions and sub directions issued by the comptroller and auditor general of India in pursuance to Section 143 (5) of the act, we give in Annexure "C", a statement on the matters specifically so directed.

For Price Patt& Co.,
Chartered Accountants
Firm Regn. No. 002783S

Place : Chennai
Date : 27.05.2019

(S R TAGAT)
Partner
Membership No. 025332

Price Patt & Co.
Chartered Accountants
H.O. : 44, (Old No.108), Sir P.S. Sivasamy Salai, 2nd Street, Mylapore, Chenni - 600 004.
Ph : 044 - 24996708, 2499 3234, 2466 1485 Email-id : pricepattca@gmail.com, pricepatt1965@gmail.com

Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED.

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Instituteof Chartered Accountants of India (ICAI).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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribedunder 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 provided basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) 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

(iii) 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Patt& Co.,
Chartered Accountants
Firm Regn. No. 002783S

(S R TAGAT)
Partner
Membership No. 025332

Place : Chennai
Date : 27.05.2019

Price Patt & Co.
Chartered Accountants
H.O. : 44, (Old No.108), Sir P.S. Sivasamy Salai, 2nd Street, Mylapore, Chenni - 600 004.
Ph : 044 - 24996708, 2499 3234, 2466 1485 Email-id : pricepattca@gmail.com, pricepatt1965@gmail.com

Annexure "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NLC TAMIL NADU POWER LIMITED.

The annexure referred to in Paragraph 2 under the heading "Report on Other Legal and Requlatory Requirements" of our Report of even date:

(i) a) The Company is maintaining records showing particulars of assets.

(b) These fixed assets have been physically verified by the Management during the year. We are informed by the Company, certain differences, including the conditions of some assets, have been noticed during the verification and that the matter is under further investigation as on balance sheet date. Pending completion of that process, no adjustment has been carried out in the books of accounts.

(c) According to the information and explanation given to us, in respect of leasehold land, lease agreement is in the name of the Company.

Registration of title deed of free hold land of the Company, admeasuring 286.21 acres, acquired through the process of land acquisition from the Government of Tamil Nadu is pending with the Govt.Tamil Nadu.

(ii) Inventories have been physically verified during the year by the management at reasonable intervals. We are informed that certain discrepancies were noticed on physical verification of stores and spares by the management and that the matter is under further investigation as on balance sheet date. Pending completion of that process, no adjustment has been carried out in the books of accounts.

(iii) As informed, the Company has not granted any loans, secured / unsecured to companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act,2013. Accordingly, paragraph 3(iii)(a),3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the order are not applicable to the Company.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and the Rules framed there under.

(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 manufacture of electricity and are of the opinion that prima facie,the specified accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2019.

The Company has an arrangement with its holding Company, NLC India Limited (NLCIL), in respect of its proportionate liability towards gratuity and leave benefits of the staff working with it on secondment basis from NLCIL. Accordingly, the proportionate liability towards the same, determined on actuarial basis, is accounted through inter Company adjustment for onward remittance to the trust / fund managers.

(b) According to the information and explanations given to us there are no dues which have not been deposited by the Company on account of disputes in respect of Income tax, customs tax, GST and other statutory dues.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. The Company has not issued any debentures.

(ix) According to the information and explanations given to us, the Company has neither raised money by way of Public issue nor offer. The term loans obtained by the Company is issued for the purpose for which it was obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Being a Government Company, Section 197 of the Act regarding managerial remuneration is not applicable to the Company as per notification No. GSR 463(E), dated 05.06.2015.

(xii) The Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or not fully or partly convertible debentures during the year and hence paragraph 3 (xiv) of the order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.

(xvi) Based on the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Price Patt& Co.,
Chartered Accountants
Firm Regn. No. 002783S

Place : Chennai
Date : 27.05.2019

(S R TAGAT)
Partner
Membership No. 025332

Price Patt & Co.
Chartered Accountants
H.O. : 44, (Old No.108), Sir P.S. Sivasamy Salai, 2nd Street, Mylapore, Chenni - 600 004.
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ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED

The Annexure referred to the Paragraph 3 under the heading - Report on Other Legal and Regulatory Reguirements" of our Report of even date :

Sub :- Directions under Section 143(5) of the Companies Act, 2013

(i) Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions out side IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The Company has entered in to a Corporate Service Agreement with its parent Company, NLC India Limited (NLCIL) for certain services like payroll, personnel information, e-tendering, maintenance of fixed assets register and generation of depreciation statement. The Company has introduced with effect from 01.04.2018, an On-line Materials Management System (OLIMMS).

Financial accounting is done through Finanancial Accounting Systems (FAS). The FAS does not facilitate generation of individual party ledger accounts with the result that all transactions relating to vendors are passed in designated accounts which are in essence, only the control accounts for that category of creditors. The details of the party's accounts are maintained outside the FAS in an Excel work book with overall controls like matching the totals of the debits and credits in the control accounts with that of the work-book.

This is not only duplication of work but lacks in authenticity as the entries are not generated by the source entry of credits and debits.

The Company has informed that the financial accounting has been migrated to SAP from 01.04.2019 and the party's ledger will be readily extractable with out any duplication of efforts and the same will not be lacking in authenticity.

(ii) Whether there is any restructuring of an existing loan or cases of waiver / write-off of debts / loans / interest etc., made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.

There has been no cases of restructuring of loan or cases of waiver / write-off of debts / loans / interest etc., by a lender during the year.

(iii) Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per terms and conditions? List the cases of deviation.

According to the information and explanation furnished to us and so far as it appears from our examination of the books of account and records of the Company, no funds are received / receivable for any specific scheme from Central / State agencies by the Company.

For Price Patt& Co.,
Chartered Accountants
Firm Regn. No. 002783S

Place : Chennai
Date : 27.05.2019

(S R TAGAT)
Partner
Membership No. 025332

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in lakh)

Sl. No.	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
	ASSETS			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	2	**5,70,539.61**	5,95,797.13
	(b) Intangible Assets	3	**11.21**	11.01
	(c) Capital Work-in-progress	4	**1,388.21**	7,475.51
	(d) Other Non-current Assets	5	**20,126.99**	15,333.44
			5,92,066.02	6,18,617.09
2	**Current Assets**			
	(a) Inventories	6	**25,572.61**	40,051.25
	(b) Financial Assets	7		
	(i) Trade receivables	a	**1,58,076.01**	1,19,187.99
	(ii) Loans	b	**79.69**	76.36
	(iii) Cash and cash equivalents	c	**463.86**	756.97
	(iv) Other Bank balances	d	**51.80**	51.81
	(c) Other Current Assets	8	**12,554.82**	8,780.65
			1,96,798.79	1,68,905.03
3	**Regulatory Deferral Account Debit Balance**	9	**35,616.34**	-
	Total Assets and Regulatory Deferral Account Debit Balance		**8,24,481.15**	7,87,522.12
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	10	**2,18,804,20**	2,18,804.20
	(b) Other Equity	11		
	(i) Retained earnings	a	**29,193.17**	2,118.84
			2,47,997.37	2,20,923.04
	LIABILITIES			
1	**Non-Current Liabilities**			
	(a) Financial Liabilities	12		
	(i) Borrowings	a	**2,86,240.85**	3,33,005.12
	(b) Provisions	13	**-**	671.98
	(c) Deferred Tax Liability (Net)	14	**18,989.08**	3,474.36
	(d) Other Non-Current Liabilities	15	**12,816.27**	13,162.34
			3,18,046.20	3,50,313,80
2	**Current liabilities**			
	(a) Financial Liabilities	16		
	(i) Borrowings	a	**1,55,853.27**	1,42,273.37
	(ii) Trade payables	b	**37,145.64**	19,428.28
	(iii) Other financial liabilities	c	**49,277.79**	49,277.79
	(b) Other current liabilities	17	**15,480.43**	4,966.50
	(c) Provisions	18	**680.45**	339.34
			2,58,437.58	2,16,285.28
3	**Regulatory Deferral Account Credit Balance**	19	**-**	-
	Total Equity and Liabilities and Regulatory Deferral Account Credit Balance		**8,24,481.15**	7,87,522.12

Notes to the financial statements and the Significant Accounting Policies (Note -1) annexed form integral part of the Balance Sheet.

For and on behalf of the Board

R.JAYASARATHY	**W.JEYASINGH DANIEL**	**K.S.GOPALAKRISHNAN**	**SHAJI JOHN**	**RAKESH KUMAR**
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date: 27.05.2019

This is the Balance Sheet referred to in our report of even date.

For Price Patt & Co.
Chartered Accountants,
Firm Regn. No. 002783S

S.R.TAGAT
Partner
M. No. 025332
Place : Chennai

Date: 27.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakh)

Sl. No.	Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
	INCOME			
I	Revenue From Operations	22	2,75,751.89	2,81,771.01
II	Other Income	23	14,163.65	8,211.84
III	**Total Income (I+II)**		2,89,915.54	2,89,982.85
IV	**EXPENSES**			
	Cost of materials consumed	24	1,75,730.34	1,66,145.36
	Employee benefits expenses	25	6,314.18	7,432.56
	Finance costs	26	45,728.10	41,268.29
	Depreciation and amortization expenses	27	37,503.95	36,186.06
	Other expenses	28	17,666.26	17,102.78
	Total Expenses (IV)		2,82,942.83	2,68,135.05
V	**Profit/(loss) before Exceptional ,Tax and Rate Regulatory Activity (III-IV)**		6,972.71	21,847.80
VI	Net Movement in regulatory deferral acount balances income/(expenses)	29	35,616.34	-
VII	**Profit/(loss)before Exceptional items and Tax (V + VI)**		42,589.05	21,847.80
VIII	**Exceptional Items**		-	-
IX	**Profit after exceptional items and before tax (VII - VIII)**		42,589.05	21,847.80
X	**Tax expense:**			
	(1) Current tax			
	- Current Year Tax		9,177.43	4,452.35
	- MAT Credit		(9,177.43)	-
	- Previous year			
	- Tax Expenses/(savings)on Regulated Account			
	(2) Deferred tax		15,514.72	2,762.79
	Total Tax Expenses		15,514.72	7,215.14
XI	**Profit for the period (IX - X)**		27,074.33	14,632.66
XII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
			-	-
	(iii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIII	Total Comprehensive Income for the period (XI+XII)(Comprising Profit and Other Comprehensive Income for the period)		27,074.33	14,632.66
XIV	**Earnings per equity share (For continuing operations) (Before net regulatory deferral adjustments):**			
	(1) Basic (₹)	30	0.20	0.67
	(2) Diluted (₹)		0.20	0.67
XV	**Earnings per equity share (For continuing operations) (After net regulatory deferral adjustments):**			
	(1) Basic (₹)	30	1.24	0.67
	(2) Diluted (₹)		1.24	0.67

Notes to the financial statements and the Significant Accounting Policies annexed form an integral part of the Statement of Profit & Loss Account.

For and on behalf of the Board

R.JAYASARATHY	W.JEYASINGH DANIEL	K.S.GOPALAKRISHNAN	SHAJI JOHN	RAKESH KUMAR
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date: 27.05.2019

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Patt & Co.
Chartered Accountants,
Firm Regn. No. 002783S
S.R.TAGAT
Partner
M. No. 025332
Place : Chennai

Date: 27.05.2019

Cash Flow Statement for the year ended 31st March, 2019 **(₹ in lakh)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Net Profit Before Tax	**6,972.71**	21,847.80
(ii) Adjustments for :		
Add : Depreciation	**37,520.88**	36,186.06
Finance Expenses (Considered separately)	**45,728.10**	41,268.29
Provisions	**(330.87)**	891.24
Less: Interest Income (Considered separately)	**(99.07)**	(164.86)
(iii) Operating Profit before Working Capital Changes	**89,791.75**	1,00,028,53
(iv) Working Capital Changes in		
Inventory	**14,478.64**	12,224.60
Trade Receivables	**(38,888.02)**	(14,673.28)
Loans	**(3.33)**	(51.39)
Other-Non-Current Assets	**(4,793.55)**	(7,308.29)
Other Current Assets	**(3,774.18)**	(396.66)
Current Liabilities	**10,513.93**	6,538.75
Other Non Current Liabilities	**(346.07)**	(13,982.59)
Trade Payables	**17,717.36**	(38,102.09)
(v) Cash flow before taxes and extra-ordinary items	**84,696.53**	44,277.58
(vi) Extra-ordinary items	**-**	-
Net Cash flow from operations	**84,696.53**	44,277.58
B CASH FLOW FROM INVESTING ACTIVITIES		
(i) Purchase of Plant, Property & Equipment	**(12,263.56)**	(11,546.22)
(ii) Change in Capital Work-in-Progress	**6,087.30**	(4,400.73)
(iii) Interest Income Received	**99.07**	164.86
Net Cash flow from investing activities	**(6,077.18)**	(15,782.09)
C CASH FLOW FROM FINANCING ACTIVITIES		
(i) Long Term Borrowings (Net)	**(46,764.27)**	(16,588.83)
(ii) Short Term Borrowings (Net)	**13,579.90**	32,357.93
(iii) Issue of Equity Shares	**-**	-
(iv) Interest Paid	**(45,728.10)**	(41,268.29)
(v) Dividend Paid (including Dividend Tax)	**-**	(2,633.47)
(vi) Repayment of long term liabilities	**-**	-
(vii)Decrease in long term loans & advances	**-**	-
Net Cash flow from financing activities	**(78,912.47)**	(28,132.66)
Net Cash Increase / (decrease) in Cash and Cash Activities	**(293.12)**	362.83
Cash and Cash equivalents as at the beginning of the year	**808.78**	445.95
Cash and Cash equivalents as at the end of the year	**515.66**	808.78
Note:- () indicates cash outflow		
DETAILS OF CASH AND CASH EQUIIVALENTS	**As at March 31st 2019**	**As at March 31st 2018**
Cash in hand	**-**	-
Cash at Bank in Current Accounts	**463.84**	756.95
Cash at Bank in Deposit Accounts	**51.80**	51.81
Others	**0.02**	0.02
Total	**515.66**	808.78

For and on behalf of the Board

R.JAYASARATHY	**W.JEYASINGH DANIEL**	**K.S.GOPALAKRISHNAN**	**SHAJI JOHN**	**RAKESH KUMAR**
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai
Date: 27.05.2019

This is the Cash Flow Statement referred to in our report of even date.

For Price Patt & Co.
Chartered Accountants,
Firm Regn. No. 002783S

S.R.TAGAT
Partner
M. No. 025332
Place : Chennai
Date: 27.05.2019

Statement of changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

Name of the Shareholder	As at 01.04.2018		Movement during the year		As at 31.03.2019	
	No.of Shares	Equity Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equity Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equity Share Capital at face value of ₹10.00 each (₹in lakh)
(i) NLC India Ltd., - 89%	1947357380	1,94,735.74	-	-	1947357380	1,94,735.74
(ii) TANGEDCO - 11%	240684620	24,068.46	-	-	240684620	24,068.46
Total	2188042000	2,18,804.20	-	-	2188042000	2,18,804.20

B. Other Equity
Statement of Changes in Equity

(₹ in lakh)

Particulars	Retained Earnings and Other Reserves
Balance as on 31st March, 2018	**2,118.84**
Total Comprehensive Income for the year	
Profit or Loss(31/03/2019)	27,074.33
Other Comprehensive income	-
Total Comprehensive Income	**27,074.33**
Dividend including DDT	-
Appropriations	-
Any Other Changes (Remeasurement Loss)	-
Other Changes (Prior period items)	-
Balance as on 31st March, 2019	**29,193.17**

For and on behalf of the Board

R.JAYASARATHY	**W.JEYASINGH DANIEL**	**K.S.GOPALAKRISHNAN**	**SHAJI JOHN**	**RAKESH KUMAR**
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date: 27.05.2019

This is the Statement of changes in Equity referred to in our report of even date.

For Price Patt & Co.
Chartered Accountants,
Firm Regn. No. 002783S

S.R.TAGAT
Partner
M. No. 025332

Place : Chennai

Date: 27.05.2019

NLC TAMILNADU POWER LIMITED

NOTE-1
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2019

(Expressed in INR lakhs, unless otherwise stated)

Reporting entity

NLC Tamilnadu Power Limited, is a subsidiary company of NLC India Ltd, registered under the erstwhile Companies Act, 1956 with its registered office located at First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of FCI, Chetpet, Chennai - 600031. NTPL is engaged in the business of generation of power by using coal.

Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The financial statements are presented in Indian Rupees ('INR') which is also the Company's functional currency. All amounts are rounded to the nearest lakhs, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

c. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

d. Useful life and residual value of property, plant and equipment and intangible assets

The useful life and residual value is estimated considering several factors including usage, obsolescence, technological advancements and other macro factors like solidity, firmness of the industry and the intensity of the maintenance expenditure incurred to maintain the asset in a condition to get the expected future cash flow from the asset.

Useful life and residual value of the assets relating to power generation are prescribed under the Central Electricity Regulatory Commission (‘CERC’) Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date, the useful life and residual value of assets other than those relating to power generation which are governed by CERC Regulations and are adjusted prospectively if found appropriate.

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

e. Measurement of fair values

Company’s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant Accounting Policies

I. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, and installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the Company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of property, plant and equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Indirect expenses relating to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Machinery Spares

Initial spares purchased along with property, plant and equipment are capitalised and depreciated along with the main asset.

Land

Land purchased / acquired by the Company are in accordance with and subject to the provisions of the Land Acquisition Act, 1894 and Tamil Nadu Act of land for Industrial Purpose Act 1997 and Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, as amended by the respective states in which the land is located.

Land is capitalised with reference to the date of obtaining the physical possession of land at the value of consideration paid, deposits, payments / liabilities made provisionally towards compensation, rehabilitation expenses and other incidental expenses pertaining to acquisition / possession of land.

Subsequent expenditure

Subsequent expenditure is capitalised when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as incurred.

Capitalisation and Depreciation

a. Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. Provisional take over date of the Turbo-generator pursuant to seventy two hours full load operation is deemed as the date of commercial operation date (COD) for commissioning of the units. Depreciation charge commences from the date of COD. Direct expenses and interest charges incurred during the test and trial run are capitalised and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

b.Depreciation / Amortisation

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over their estimated useful lives and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated. Assets acquired under finance lease are depreciated over the shorter of the lease term, useful life of the asset and useful life of the related asset unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is provided for under straight line method as indicated below :-

Description of Assets covered	Basis
i. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Company follows the provisions of the Electricity Act 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
ii. Buildings a) Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
b) Non-residential Buildings	At higher of technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iii. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
iv. Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
v. Spares treated as PPE	Residual life of the parent asset
vi. Asset costing less than INR 5,000	Fully depreciated in the year the asset is available for use

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is be included in the Statement of Profit and Loss.

II. Intangible Assets

Recognition and measurement

The Company recognises an intangible asset and measures that at cost if, and only if:

a. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

b. the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than INR 10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

III. Inventories

Inventories are valued at the lower of cost and net realizable value.

Stock Items	Basis
Coal	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	NIL
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IV. Prepaid expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed INR 1 crore in each case.

V. Financial Instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised at its fair value plus or minus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

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

The Company's financial assets consist of staff advances, investment in bonds, trade receivables, etc

Derecognition

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial asset expire, or
- The right to receive cash flows from the asset has been transferred; or
- The contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. 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, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in 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.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when, and only when the Company:

- Currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

VI. Impairment

Financial assets (including receivables)

Expected loss are measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit & Loss

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VII. Fair value measurement

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. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz., in respect of financial assets and financial liabilities.

VIII. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical knowhow etc. The cost of the project is transferred to capital as and when implemented. In case such projects are identified for transfer of business by Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

IX. Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. The deferred income is recognised in statement of profit and loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are those which are not related to assets are re recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

X. Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related service are provided.

The company's liability towards Gratuity, Post-Retirement Medical Facilities, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Contribution towards Provident Fund and Gratuity is recognised as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January 2007 and Premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognised immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

XI. Prior period items, Accounting estimates and effect of change in Accounting Policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XII. Events occurring after the balance sheet date

Events of material nature occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

Exceptional Items

These are items of income or expense the nature of which warrants a disclosure to enhance the understanding of the performance of the Company. Such income or expense is classified as exceptional items and accordingly, disclosed in the notes accompanying the financial statements.

XIII. Revenue Recognition

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations, sale of by products & joint products.

Revenue is recognised as per Ind AS-115 when the following criteria are met

a. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

b. The entity can identify each party's rights regarding the goods or services to be transferred;

c. The entity can identify the payment terms for the goods or services to be transferred;

d. The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

e. It 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. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC)/ State Electricity Regulatory Commission (SERC).

However, the order of CERC when contested sale of power continues to be accounted as per petition filed based on the guidelines issued by CERC pending disposal of Appeal by APTEL.
In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of relevant CERC's guidelines are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue / Expenditure, respectively.

Rebates / discounts allowed to beneficiaries / customers for early payment incentives are netted off with the amount of revenue from operations.

Sale of Un-requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is accounted net off sharing of any gain arising from such sale.

Other Income

Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of Scrap.

Interest income

Interest income with respect to advances provided to employees is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised in the period in which there is acceptance of the claim / certainty of realisation, as the case may be.

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation / certainty of realisation.

Scrap Sale

Scrap is accounted for as and when sold.

XIV. Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognising such exchange difference in the Statement of Profit and Loss, the exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalize the same.

XV. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVI. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset. All other borrowing costs are expensed in the year in which they occur.

XVII. Leases

Finance lease

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and the lease rentals are recognized as expenses in the Statement of Profit and Loss on a straight line basis.

XVIII. Provisions and Contingent Liability

Recognition and measurement

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XIX. Cash and cash equivalents

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

XX. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXI. Dividend

Dividends and interim dividends payable to Company's shareholders are recognised as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

XXII. Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXIII. Regulatory Deferral Accounts

The expense/ income that will be recovered from / refunded to the beneficiaries as per CERC Tariff Regulations / other Guidelines pending for disposal by CERC/ Other authorities are recognised as 'Regulatory Deferral Account Balances' (i.e. consisting of regulatory deferral debit balances and regulatory deferral credit balances).

Expenses / Income recognised in the statement of profit and loss to the extent recoverable from / payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognised as Regulatory Deferral Account balances. Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from / payable to the beneficiaries.

Pending the disposal of review/ appeal petitions filled by the Company against adverse orders before CERC / SERC / Other Appellate Authorities the impact of the said orders are considered under Regulatory Deferral Account in the statement of profit and loss of the respective financial year.

Regulatory deferral account balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criterion are not met this regulatory deferral account balances are derecognised.

In case of appeal by the beneficiary on the CERC/SERC orders the impact of the same is disclosed under contingent liability.

NOTES TO BALANCE SHEET

NON CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

2. Tangible Assets

(₹ in lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01st April 2018	Additions/ Transfers	Deletions/ Transfers/ Adjt	As at 31st March 2019	As at 01st April 2018	Withdrawals / Transfers / Adjt	For the year	As at 31st March 2019	As at 31st March 2019	As at 01st April 2018
Freehold Land	-	3,487.76*	-	3,487.76	-	-	-	-	3,487.76	-
Buildings	6,794.03	4,223.08	-	11,017.11	670.71	-	426.03	1,096.74	9,920.36	6,123.31
Electrical Installations	479.12	-	-	479.12	155.35	-	25.94	181.29	297.82	323.77
Water Supply	302.02	243.10	-	545.11	38.25	-	46.73	84.98	460.13	263.77
Plant & Machinery	6,87,598.17	3,939.56	-	6,91,537.73	99,090.26	-	36,923.40	1,36,013.66	5,55,524.05	5,88,507.92
Furniture & Equipment	722.16	361.11	-	1,083.27	193.24	-	86.94	280.18	803.09	528.92
Vehicles	97.44	1.33	-	98.77	47.99	-	4.39	52.38	46.39	49.45
Assets costing ₹ 5000 and below	11.85	0.45	-	12.31	11.86	-	0.45	12.31	-	-
Total	6,96,004.79	12,256.38	-	7,08,261.17	1,00,207.66	-	37,513.88**	1,37,721.55	5,70,539.61	5,95,797.14
Previous Year	6,84,470.58	11,534.21	-	6,96,004.79	64,022.37	-	36,185.29	1,00,207.65	5,95,797.13	-

There is no impairment loss identified for the assets

* During the current year, an amount of ₹ 3,487.76 Lakh has been capitalised under Freehold land, registration formailities are pending with State Government Authorities, however asset possession and right to use is held with NTPL.

** Depreciation for the year includes prior period depreciation of ₹ 488.55 Lakh.

3. Intangible Assets

(₹ in lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01st April 2018	Additions/ Transfers	Deletions/ Transfers/ Adjt	As at 31st March 2019	As at 01st April 2018	Withdrawals / Transfers / Adjt	For the year	As at 31st March 2019	As at 31st March 2019	As at 1st April 2018
Computer Software	26.12	7.18	-	33.30	15.11	-	6.98	22.09	11.21	11.01
Total	26.12	7.18	-	33.30	15.11	-	6.98	22.09	11.21	11.01
Previous Year	14.11	-	-	14.11	14.11	-	0.00	14.11	-	-

There is no impairment loss identified for the assets

NOTES TO BALANCE SHEET

4. Capital Work in Progress - CWIP **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Work in Progress	1,388.21	7,475.51
Total	1,388.21	7,475.51

5. Other Non Current Assets **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured Considered Good:		
Advance for Acquisition of Land	-	3,456.66
Advance for Leasehold Land	2,905.61	3,073.24
Advance for Capital Goods	237.67	1,025.72
Receivable towards Income Tax	243.60	425.47
MAT Credit Entittlement	16,740.10	7,352.35
Total	20,126.99	15,333.44

* Receivable towards Income Tax includes ₹ 36.55 Lakh as deposit (15% on demand raised for the AY 2014-15) for the purpose of filing appeal.

Current Assets

6. Inventories **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Coal	17,995.74	25,516.12
Coal in transit	1,793.76	10,395.80
Fuel Oil	785.23	905.21
Stores & Spares	4,997.88	3,234.12
Total	25,572.61	40,051.25

Inventory valuation - Inventories are valued at the lower of cost and net realisable value. Cost for these purposes are as follows:

(i) Coal - At weighted average acquisition cost

(ii) Stores and spares including light diesel oil, heavy furnace oil - At weighted average acquisition cost

(iii) Waste product, used belt reconditioned, stores and spares discarded for disposal, medicines and canteen stores - Nil value

(iv) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition

7. Financial Assets

a) Trade Receivables **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured-considered good	1,58,076.01	1,19,187.99
Total	1,58,076.01	1,19,187.99

b) Loans **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Loans to Employees		
Unsecured, considered good	62.92	59.59
Other Loans	16.77	16.77
Total	79.69	76.36

c) Cash and Cash Equivalents (₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
(A) With Scheduled Banks in Current Accounts		
Canara Bank, Kilpauk, Chennai	-	0.33
Bank of India, Tuticorin	1.04	2.10
Bank of India, Tuticorin - E-Freight	119.52	338.03
Bank of Baroda, Tuticorin	-	2.37
State Bank of India, Tuticorin	283.87	233.43
State Bank of India, Tuticorin - E-Freight	59.41	180.69
	463.84	756.95
(B) Others		
Stamps on hand	0.02	0.02
Total	463.86	756.97

d) Other Bank Balances (₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
State Bank of India, Tuticorin - Land for ash dyke	51.80	51.81
	51.80	51.81

Deposit towards Land Acquisition as per the order of National Lok Adalat.

8.Other Current Assets (₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured considered good		
Advances recoverable in cash or in kind or for value to be received	722.54	660.50
Prepaid expenses	241.04	197.84
Advance for Leasehold Land	167.63	167.63
Advance for purchase of Coal	4,785.49	6,964.41
Advance for purchase of Fuel Oil	532.95	533.99
Advance for Rail Freight	6.89	-
Coal Incentive Recoverable	6,031.61	189.62
Others	66.66	66.66
Total	12,554.82	8,780.65

9. Regulatory Deferral Account Debit Balances (₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Spares Consumed	2,880.68	-
Wage revision	3,036.66	-
Gratuity	49.61	-
GST Impact	110.39	-
Unbilled Power Sales / CERC Order	29,539.00	-
Total	35,616.34	-

Equity and Liabilities

10.Equity Share Capital

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Authorised, Issued, Subscribed and Paid up Share Capital		
(a) Authorised		
250,00,00,000 Equity Share of ₹10/- each	**2,50,000.00**	2,50,000.00
(b) Issued, Subscribed and Paid up		
218,80,42,000 Equity Share of ₹10/- each fully paid up	**2,18,804.20**	2,18,804.20

a) The equity shares are the only class share capital having a par value of ₹10 per share.

b) Equity shares carry voting rights proportionate to the paid up value per share.

Reconciliation of No.of Shares in the beginning and at the end of the year including shareholders holding more than 5% of the shares of the Company

(a) Number of Shares at the beginning of the year			
(i) NLC India Ltd., - 89%		1947357380	1947357380
(ii) TANGEDCO - 11%		240684620	240684620
	Total	2188042000	2188042000
(b) Number of Shares Allotted during the year			
(i) NLC India Ltd.,		-	-
(ii) TANGEDCO		-	-
	Total	-	-
(c) Number of Shares at the end of the year			
(i) NLC India Ltd., - 89%		1947357380	1947357380
(ii) TANGEDCO - 11%		240684620	240684620
	Total	**2188042000**	2188042000

11. Other Equity

a) Retained Earnings

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
As at the beginning of the year	2,118.84	(9,880.35)
Profit for the year	27,074.33	14,632.66
Appropriations:		
Interim Dividend	0.00	(2,188.04)
Tax on Interim Dividend	0.00	(445.43)
As at the end of the year	29,193.17	2,118.84

Since year end, the directors have recommended the payment of final dividend at the rate of 5% on face value of the share amounting to ₹10,940.20 lakh, this recommended dividend is subject to approval of shareholders of the company in the ensuing Annual General Meeting.

Non Current Liabilities

12. Financial Liabilities

a) Borrowings

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Term Loans from Banks & Financial Institutions:-		
(i) Power Finance Corporation Ltd		
- Rupee Term Loan - I	65,344.05	77,224.79
- Rupee Term Loan - II	1,95,366.32	2,27,927.37
(ii) Bank of India	25,530.48	27,852.97
Total	2,86,240.85	3,33,005.12

a) All the above Term Loans is secured by pari-passu charge on project fixed assets financed.

b) Repayment of Loan:-

(i) Power Finance Corporation Ltd - Rupee term loan I - Sanctioned - ₹ 1184.92 crore:- Repayable in Twenty (20) equal half-yearly instalments from January 2016 and the rate of interest on the loan is 10.21%

(ii) Power Finance Corporation Ltd - Rupee term loan II - Sanctioned - ₹ 3093.30 crore:- Repayable in Nineteen (19) equal half yearly installments from October 2016 and the rate of interest on the loan is 9.69%

(iii) Bank of India - Rupee Term Loan - Sanctioned - ₹ 483.52 crore:- Repayable in Twenty (20) equal half yearly installments from March 2019 and the rate of interest on the loan is 8.98%

c) NLCIL Guarantee - Letter of comfort in favour of Power Finance Corporation Ltd on the Rupee Term Loan - I & II availed by NTPL.

13. Provisions

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Employee leave benefits	-	6.15
Provision for Gratuity	-	665.83
Total	-	671.98

14. Deferred Tax Liability (Net)

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability		
- relating to temporary difference in depreciation	96,527.52	90,579.47
Deferred Tax Asset		
- relating to Income Tax Loss & other Allowances	77,538.44	87,105.11
Total	18,989.08	3,474.36

15. Other Non - Current Liabilities

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Payable on Purchase of Fixed Assets	8,242.02	8,623.48
Amount withheld from contractors	4,574.25	4,538.86
Total	12,816.27	13,162.34

Current Liabilities

16. Financial Liabilities

a) Borrowings

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Secured:		
Loans repayable on demand from Banks:		
Working capital Loan with Bank of India	87,853.27	67,273.37
Unsecured: (From Related parties)		
Short term loan from NLC India Ltd - Unsecured		
- Loan I	15,000.00	15,000.00
- Loan II	35,000.00	50,000.00
- Loan III	15,000.00	10,000.00
- Loan IV	3,000.00	-
Total	**1,55,853.27**	1,42,273.37

(i) Bank of India Working Capital loan:- Secured by exclusive first charge on book debts, operating cash flows, receivables, including stock of coal, fuel, etc. and all other current assets, commission, revenues of whatsoever nature and wherever arising present & future relating to the project and the rate of interest is 8.50% on Working capital demand loan and 8.70% on Cash Credit.

NLCIL guarantee - Letter of comfort in favour of Bank of India on the Working capital loans with Fund based Limit ₹ 65,000.00 Lakh and Non-Fund based Limit of ₹ 20,000.00 Lakh availed by NTPL.

(ii) NTPL is having standing fund arrangement with NLC India Ltd of ₹ 1,000 crore - Short term loan - Loan II - ₹ 350.00 crore - Towards meeting the working capital requirements and Repayable within 180 days from the date of drawl. Loan drawn during previous financial year has been fully settled during the year

(iii) NLC India Ltd - Short term loan I,III & IV - ₹ 330.00 crore - Towards meeting the working capital requirements and Repayable within 365 days from the date of drawl. The rate of interest on the loan is 8.70%

b) Trade Payable

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Sundry Creditors		
Towards Micro and Small Enterprises *	1,028.11	942.60
Towards other than Micro and Small Enterprises	36,117.53	18,485.68
Total	**37,145.64**	19,428.28

* Refer detailed disclosure in Note No. - 43

c) Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Current maturities of Long term loan:-		
Power Finance Corporation Ltd		
- Rupee Term Loan - I	11,880.74	11,880.74
- Rupee Term Loan - II	32,561.05	32,561.05
Bank of India Rupee Term Loan	4,836.00	4,836.00
Total	**49,277.79**	49,277.79

17. Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance for sale of fly ash	89.09	193.28
Income Tax Payable	6,304.91	903.35
Dues to NLCIL	4,572.39	2,086.22
Other liabilities		
Employees	205.30	245.57
Statutory	936.76	1,108.94
Others *	3,371.98	429.14
Total	**15,480.43**	4,966.50

* Includes ₹2,737.56 lakh Earnest Money Deposit received for Tender floated for Coal logistics.

18. Provisions

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Employee leave benefits	-	100.90
Other Provisions	680.45	238.44
Total	**680.45**	339.34

19. Regulatory Deferral Account Credit Balances:

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
	-	-
	-	-
Total	**-**	**-**

20. Contingencies and Commitments

(₹ in lakh)

Particulars	As at 31st March 2018	Additions	Deletions	As at 31st March 2019
A. Contingencies:				
Claims against Company not acknowledged as Debt:				
(i) From Statutory Authorities/Central Govt./Govt. Departments				
- Service Tax on allotment of Leasehold Land from VO Chidambaranar Port Trust	499.52	-	-	499.52
- Service Tax on manpower service provided by NLCIL to NTPL	205.63	-	-	205.63
(ii) From Others				
- Arbitration Claim	20,631.17	4,620.00	5,752.90	19,498.27
- MSME Faciliation Council	14.51	-	-	14.51
- Power Grid Corporation of India Ltd., Transmission charges for injection of infirm power	186.17	-	-	186.17
(iii) Letter of Credit as Security Deposit	251.00	182.00	-	433.00
B. Commitments				
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for	24,014.54	454.00	12,263.56	12,204.98

21. Sundry Creditors, Debtors, Loans and Advances and Deposits are subject to confirmation and reconcilaition. During the year, letters for confirmation of the balances have been sent to various parties by the Corporation and the same are under reconciliation wherever replies have been received.The management, however doesn't expect any material changes.

NOTES TO STATMENT OF PROFIT AND LOSS

22. Revenue from Operations

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Power Sales	**2,75,008.52**	2,79,970.46
Other Operating Revenue		
- Sale of Fly Ash	**2189.90**	2,059.54
- Sale of DM Water	**0.00**	232.78
	2,77,198.42	2,82,262.78
Less : Rebate	**1446.53**	491.77
Total	**2,75,751.89**	2,81,771.01

(a) Sale of Power is accounted for based on the tariff order dated 11.07.2017 granted by the Central Electricity Regulatory Commission (CERC) under the Tarrif Regulations 2014-19 from the date of Commercial Operation Declaration (COD) of Unit I and II to 31.03.2019.

(b) On 16.01.2019, Unit-2 of NTPL 2x500 MW Thermal Power Station tripped due to fire occurred near the generator end and the winding and other parts of the generator rotor got severely damaged. The matter was referred to OEM, M/s. BHEL.Accordingly, the repair work at BHEL, Haridwar Plant is under progress.The Company has lodged an insurance claim of ₹22,036 lakh which is under examination.

23. Other Income

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Coal Handling Charges	**722.47**	198.02
Interest from Employees	**21.36**	43.76
Interest from Contractors	**77.71**	121.10
Surcharge from Beneficiaries	**12,773.92**	7,778.44
Rent recovered from Employees	**4.51**	3.78
Rent on buildings and community halls	**0.66**	0.12
Liquidated Damages Recovered	**205.05**	127.73
Foreign Exchange Fluctutation	**263.18**	0.00
Miscellaneous Income	**239.20**	38.84
	14,308.06	8,311.79
Less: Transferred to Capital Work in Progress		
- Interest from Employees and Others	**59.32**	50.26
- Liquidated Damages Recovered	**85.09**	49.69
Total	**14,163.65**	8,211.84

Foreign Exchange fluctuation represents the difference in exhange rate on the foreign currency amount payable to vendor as on 31.03.2019 against the Imported Coal Supply during Financial Year 2018-19 accounted and the same is reversed on the actual settlement of liability as per Ind AS 21.

Expenses

24. Cost of Materials Consumed

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Coal Consumption	**1,74,675.69**	1,65,111.77
Oil Consumption	**1,054.65**	1,033.59
Total	**1,75,730.34**	1,66,145.36

Cost of Materials Consumed (₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
OPENING STOCK		
Raw Material		
Coal	25,516.12	24,846.49
Oil	905.21	551.47
	26,421.33	**25,397.96**
Add: PURCHASES		
Raw Material		
Coal	1,67,155.31	1,65,781.40
Oil	934.67	1,387.33
	1,68,089.99	**1,67,168.73**
Less: CLOSING STOCK		
Raw Material		
Coal	17,995.74	25,516.12
Oil	785.23	905.21
	18,780.97	**26421.33**
Cost of Material consumed		
Coal	1,74,675.69	1,65,111.76
Oil	1,054.65	1,033.59
	1,75,730.34	**1,66,145.36**

25. Employee Banefits Expenses (₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, Wages and incentives	**5,032.39**	5,667.65
Contribution to Provident and Other Funds	**841.18**	830.98
Gratuity	**95.36**	589.77
Welfare Expenses	**345.25**	344.16
Total	**6,314.18**	7,432.56

26. Finance Costs (₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expenses		
- Term Loan from Financial Institutions	**31,223.72**	31,256.25
- Term Loan from Banks	**2,770.88**	721.48
- Term Loan from Inter Corporate	**5,753.16**	4,667.65
- Working Capital Loan from Bank	**5,980.34**	4,622.91
Total	**45,728.10**	41,268.29

27. Depreciation and Amortisation Expenses (₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Property, Plant and Equipment	**37,503.95**	36,186.06
Total	**37,503.95**	36,186.06

28. Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Consumption of Stores and Spares *	**4,323.33**	2,858.80
Transit and Handling loss	**374.49**	1,607.35
Demurrage Charges	**0.00**	1,103.24
Compensation for non lifting of coal	**0.00**	1,258.03
Amortisation of Leasehold Land	**167.63**	167.63
License fee, Rates and taxes	**596.22**	58.57
Repairs and Maintenance		
-Plant and Machinery *	**6,688.75**	2,346.13
-Others	**1,636.26**	2,813.33
Insurance	**371.14**	427.46
Electricity Charges	**60.44**	40.63
Water Charges	**0.00**	180.51
Payments to Auditors		
Statutory Audit Fees	**2.95**	2.07
Tax Audit Fees	**0.59**	0.59
Internal Audit Fees	**2.69**	2.71
Cost Audit Fees	**3.11**	2.25
VAT Audit Fees	**0.12**	0.31
Other Certification Fees	**2.36**	0.52
Reimbursement of out of pocket expenses	**2.07**	1.10
Professional Charges	**87.40**	26.76
Director Sitting Fees	**0.87**	0.20
Travelling expenses	**205.81**	231.19
Advertisement	**17.19**	52.21
Legal Expenses	**129.14**	72.28
Training expenses	**19.79**	10.42
Service charge on e-auction	**12.44**	38.60
Security & Central Industrial Security Force expenses	**762.72**	581.17
Foreign Exchange Fluctutation #	**0.00**	1,108.88
Bank Charges (includes Upfront fee, Commission)	**2.95**	3.65
Corporate Social Responsibility expenses	**177.75**	143.76
Miscellaneous expenses	**122.79**	80.09
Corporate Services by NLCIL	**1,316.60**	1,215.21
Operation and maintenance services by NLCIL	**599.26**	637.15
	17,686.86	17,072.81
Less: Transferred to Capital Work in Progress Accounts	**20.60**	(29.97)
Total	**17,666.26**	17,102.78

\# Foreign Exchange fluctuation represents the difference in exhange rate on the foreign currency amount payable to vendor as on 31.03.2019 against the Imported Coal Supply during Financial Year 2018-19 accounted and the same is reversed on the actual settlement of liability as per Ind AS 21.

* On 16.01.2019, Unit-2 of NTPL 2x500 MW Thermal Power Station tripped due to fire occurred near the generator end and the winding and other parts of the generator rotor got severely damaged. The matter was referred to OEM M/s. BHEL. Accordingly, the repair work at BHEL, Haridwar Plant is under progress.

The company has lodged an insurance claim of ₹22,036 lakh which is under examination.Consumption of stores and spares includes an amount of ₹546.21 lakh and repairs and maintenance (Plant and Machinery) includes an amount of ₹453.23 lakh towards expenditure incurred for the purpose of restoration of stator in Unit-2.

29. Net Movement in regulatory deferral account balances income / expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Income		
Capital Spares Consumed	**2,880.68**	0.00
Wage revision	**3,036.66**	0.00
Gratuity	**49.61**	0.00
GST Impact	**110.39**	0.00
Unbilled Power Sales / CERC Order *	**29,539.00**	0.00
Expense		
-	**0.00**	0.00
Net Movement	**35,616.34**	0.00

* The company has filed interim truingup petition with CERC by claiming an amount of ₹ 77,438.00 lakh towards discharged liabilities for capital expenditure from the date of commissioning upto 31.03.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹ 29,539.00 lakh has been recognised under capacity charges as per regulation.
Refer detailed disclosure in Note No. - 42.

30. Earnings per Share (Before net regulatory deferral adjustments):

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit after Tax (₹In lakh)	**4,432.63**	14,632.66
Number of Shares as at 31st March 2019	**2188042000**	2188042000
Weighted Average Number of Shares	**2188042000**	2188042000
Face Value of Share (₹)	**10.00**	10.00
Earnings per Share - Basic and Diluted (as per no. of shares as on 31st March 2019)	**0.20**	0.67
Earnings per Share - Basic and Diluted (as per weighted average no. of shares) (₹)	**0.20**	0.67
Earnings per Share (After net regulatory deferral adjustments):		
Profit after Tax (₹In lakh)	**27,074.33**	14,632.66
Number of Shares as at 31st March 2019	**2188042000**	2188042000
Weighted Average Number of Shares	**2188042000**	2188042000
Face Value of Share (₹)	**10.00**	10.00
Earnings per Share - Basic and Diluted (as per no. of shares as on 31st March 2019)	**1.24**	0.67
Earnings per Share - Basic and Diluted (as per weighted average no. of shares) (₹)	**1.24**	0.67
The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.		

31. Expenditure in Foreign Currency

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Coal purchased through Import	**14,958.93**	32,200.01
Travelling Expenses	**-**	5.81

32. Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' Movement in Provisions

(₹ in lakh)

Particulars	As at 31.03.2018	Addtions	Withdrawals	As at 31.03.2019
Employee Leave Benefits	107.05	-	107.05	-
Gratuity	665.83	-	665.83	-
Other Provisions	238.44	680.45	238.44	680.45
	1,011.32	**680.45**	**1,011.32**	**680.45**

33. CSR Expenditure

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Education facilities	**0.50**	62.32
Afforestation and environment sustainability	**68.91**	81.44
Drinking water supply / Cutting of drains etc	**21.01**	
Sanitation and other basic amenities	**57.28**	
Relief to natural calamities	**30.05**	
Total	**177.75**	143.76

34. Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) List of related parties

i) Key Managerial Personnel (KMP):

- i Dr. Sarat Kumar Acharya - Chairman (upto 31.07.2018)
- ii Shri. Rakesh Kumar - Chairman (from 28.09.2018)
- iii Shri. V.Thangapandian, Director (Superannuated on 31.03.2019)
- iv Shri. P.Selvakumar, Director (Superannuated on 31.05.2018)
- v Shri. Nadella Naga Maheswar Rao, Director (from 29.06.2018)
- vi Shri. Mukesh Choudhary, Director (upto 11.01.2019)
- vii Shri. Mahendra Pratap, Director (from 08.02.2019)
- viii Ms. S.Geetha, Director
- ix Ms. Nalini Padmanabhan, Director
- x Shri. Shaji John, Chief Executive Officer (upto 19.02.2019)
- xi Shri. K.S.Gopalakrishnan, Chief Executive Officer (from 20.02.2019)
- xii Shri. W.Jeyasingh Daniel, Chief Financial Officer
- xiii Shri. R.Jayasarathy, Company Secretary

ii) Holding and Joint venture entities:

- NLC India Limited - Holding Company and Joint venture Company
- Tamilnadu Generation and Distribution Corporation Limited - Joint venture Company

iii) Entities under the control of the same government:

The Company is a Public Sector Undertaking (PSU) wherein the shares are held by NLC India Limited,a Central Public Sector Undertaking and Tamil Nadu Generation and Distribution Corporation Limited, a State Public Sector Undertaking. Purusant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties are as follows:

i) Key Managerial Personnel

(₹ in lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Short Term Employee Benefits	**120.00**	76.54
Post Employment Benefits	**10.98**	6.16
Other Long Term Benefits	**12.82**	9.62

ii) Transactions with Promoters: **(₹ in lakh)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
I) NLC India Limited - Significant Influence		
a) Unsecured Term Loan		
- Loans drawn	**68,000.00**	110,000.00
- Loans repaid	**75,000.00**	87,000.00
- Interest on Loans	**5,753.16**	4,667.65

b) Guarantee

- Letter of comfort in favour of Power Finance Corporation Ltd., on the Rupee Term Loans of ₹1,18,492 lakh availed by the Company

- Letter of comfort in favour of Power Finance Corporation Ltd., on the Rupee Term Loans of ₹ 3,09,330 lakh availed by the Company

- Letter of comfort in favour of Bank of India on the Working capital loans with Fund based Limit ₹ 65,000 lakh and Non-Fund based Limit of ₹ 20,000 lakh availed by the Company

c) The proportionate Employees Salary of NLC India Ltd for ₹ 1,316.61 lakh has been recognised in Statement of Profit and Loss based on the expertise and time spent towards the various works on behalf of the Company such as Power Billing; Dues follow up from DISCOMS, floating and finalising major contracts, loans funding arrangements and other allied services.

d) An amount of ₹ 599.26 lakh has been recognised in profit and loss account towards the support services provided by NLC India Ltd towards supply of Man power to the company for the purpose of supervision of operation and maintenance of the Company.

e) Apart from the above, the expenses which are incurred on behalf of the Company are reimbursed at actuals such as Board meeting expenses, tender advertisement, etc.

f) During the year, 29,195.53 tonnes of lignite has been purchased from NLCIL to the extent of ₹ 970.03 lakh.

ii) Tamil Nadu Generation and Distribution Corporation Limited:

An amount of ₹465.60 lakh has been recognised Statement of Profit and Loss towards handling of coal by Tuticorin Thermal Power Station/TANGEDCO at Company's premises by using the Assets of the Company.

iii) Transactions with related parties under the control of same Government : (₹ in lakh)

Name of Company	Nature of Transaction	For the year ended 31st March 2019	For the year ended 31st March 2018
Bharat Heavy Electricals Ltd.,	Package Contract, Works	**447.00**	12,963.14
Bharat Heavy Electricals Ltd.,	Purchase of Materials	**964.00**	2,613.67
Steel Authority of india Ltd.,	Purchase of Materials	**27.46**	39.33
Indian Oil Corporation Ltd.,	Purchase of Lubricants and Oil	**-**	480.99
Hindustan Petroleum Corporation Ltd.,	Purchase of Lubricants and Oil	**-**	654.68
Bharat Petroleum Corporation Ltd.,	Purchase of Lubricants and Oil	**-**	52.46
Mecon Ltd.,	Project Consultancy Contract	**144.00**	0.81
VO Chidambaranar Port Trust	Quarters allotted to NTPL on Rent, North Cargo Berth concession agreement, Wharfage Charges	**951.00**	1,463.35
Power Finance Corporation Ltd.,	Rupee Term Loan	**76,466.00**	75,782.14
MSTC Ltd.,	Purchase of Coal	**-**	-
MSTC Ltd.,	E-Tendering Services	**22.22**	60.25
Mahanadhi Coalfields Ltd.,	Purchase of Coal, Railway Siding	**46,840.48**	37,286.62
Eastern Coalfields Ltd.,	Purchase of Coal	**18,457.00**	47,529.25
Central Institute of Mininig and Fuel Research	Sampling and Analysis of Coal	**231.55**	88.50

c) Outstanding balance with related parties are as follows: -

i) Key management personnel (₹ in lakh)

Key Managerial Personnel	Transaction Value for the year ended March 31,2019	Balance Outstanding as at March 31, 2019
Mr. Shaji John - Chief Executive Officer	1.76	4.48
Mr. K.S.Gopalakrishnan - Chief Executive Officer	0.13	0.88
Mr. W.Jeyasingh Daniel - Chief Financial Officer - Festival Advance	0.12	-
Mr. R.Jayasarathy - Company Secretary		
- Car advance	1.20	0.20
- Multi-purpose loan	0.67	-

d) Terms and Condition of transactions with the related parties

(1) Transaction with the related parties are made on normal commercial terms and conditions and at the market rates.

(2) For the year ended 31st March 2019, Company has not recorded any impairment of receivable related to the amount repayable by the related parties. This assesment is undertaken each financial year through examining the financial position of the related parties and the market in which they operates.

35 Financial Instruments - Fair Value Disclosures

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures required).The management consideres that the carrying amount of the financial assets and financial liabilities recognised in the financial statement approximate their fair values.Hence, levelling exposure as per Ind AS 113 is not applicable.

(₹ in lakh)

March 31, 2019	Carrying Amount			
Description	**Amortised Cost**	**Fair value through profit and loss**	**Fair value through OCI**	**Net**
A. Financial Assets				
Investments	-	-	-	-
Loans and Advances	12,554.82	-	-	12,554.82
Trade Receivables	1,58,076.01	-	-	1,58,076.01
Cash and cash equivalents	463.86	-	-	463.86
Other Bank balance	-	-	-	-
Other Financial assets	20,126.99	-	-	20,126.99
B. Financial Liabilites				
Borrowings	4,42,094.12	-	-	4,42,094.12
Trade payables	37,145.64	-	-	37,145.64
Other Financial liabilites	15,480.43	-	-	15,480.43

(₹ in lakh)

March 31, 2018	Carrying Amount			
Description	**Amortised Cost**	**Fair value through profit and loss**	**Fair value through OCI**	**Net**
A. Financial Assets				
Investments	-			-
Loans and Advances	8,780.65	-	-	8,780.65
Trade Receivables	1,19,187.99	-	-	1,19,187.99
Cash and cash	756.97	-	-	756.97
equivaqlents	-	-	-	-
Other Bank balances	15,333.44	-	-	15,333.44
Other financial assets		-	-	
B. Financial Liabilities	4,75,278.49			4,75,278.49
Borrowings	19,428.28	-	-	19,428.28
Trade payables	4,966.50	-	-	4,966.50
Other Financial Liabilities		-	-	

36. Disclosure as per Ind AS 116 'Leases'

i) Lease as lessee

a) Operating Lease

The Company has obtained Leasehold land for Plant site and Company's township under Operating Lease arrangement with V.O.Chidambaranar Port Trust for a period of 30 years Such lease entered into by the Company are non cancellable. Lease premium been paid at the beginning of the lease term and same is being amortised over the lease period.

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Upto 1 Year	**167.63**	167.63
1 Year to 5 Years	**838.15**	838.15
More than 5 Years	**2,067.46**	2,235.09
Total	**3,073.24**	3,240.87

37. Financial Instruments

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business. Management monitors the return on capital as well as high level of dividend to shareholders.

The Board of Director's seeks to maintain the balance between the higher return that might be possible with higher level of borrowing and the advantages and the security afforded by a sound capital position.

The capital structure of the Company consists of the Net Debt and Total Equity of the Company. The Company monitors the capital structure on the basis of the Total Debt to Equity ratio and maturity profile of the overall debt portfolio.

Gearing Ratio

(₹ in lakh)

	March -19	March -18
Debt	**2,86,240.85**	3,33,005.12
Less: Cash and Bank Balances	**463.86**	756.97
Net Debt	**2,85,776.99**	3,32,248.15
Total Equity	**2,47,997.37**	2,20,923.04
Net debt to Total Equity ratio	**1.15**	1.50

38. Financial Risk Management

The treasury function provides services to business, coordinates access to domestic and international financial markets, monitors and manages the financial risk relating to operations through internal risk reports which analyse exposures by degree and magnitude of risk. The risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables.

Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit Risk arises principally from Trade Receivables, loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Trade Receivables

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment loss in respect of trade receivables in past years The average credit period on power sales is 60 days. No Surcharge is charged on Trade Receivables for Power Sales for the first 60 days from the date of invoice.

The management considers the factor that may influence the credit risk of ots customer base, including the default risk of the industry.

At March 31, 2019, the Company's most significant customer, Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO) accounted for ₹ 53,065.24 lakh (₹ 53,327.45 lakh of the Trade Receivables as at March 31, 2018) of the trade receivables carrying amount.

Loans and Advances

The Company has given Loans and Advances to its employees. The Company manages its credit risk in respect of loans and advances to employees through settlement of dues against full and final payment to employees.

Cash and Cash equivalents and deposits with banks

The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India. The risk of defaults with the government controlled entities is considered to be insignificant.

(i) Provisions for expected Credit losses

a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where counter party has sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

b) Financial assets for which loss allowances is measured using life time expected credit losses

The Company has customers (State government utilities) with capacity to meet the obligations and further the risk of default not material. Further management believes that the unimpaired amount that are past due by more than 30 days are still collectible in full based on historical payment behaviour. Hence, no impairment loss was considered necessary during the reporting period in respect of the trade receivables.

(ii) Ageing analysis of Trade receivables

The Company's debtors include debtors only in respect of TPS (Thermal Power Plant). As a policy the Company does Ageing analysis of the thermal debtors, the details of which is stated below:

(₹ in lakh)

Period	Ageing as at	
	31st March, 2019	**31st March, 2018**
Thermal Debtors		
0-30 days past due	29,431.05	47,297.77
31-60 days past due	18,754.46	20,794.43
61-90 days past due	20,073.86	19,135.10
91-120 days past due	21,859.20	14,395.98
More than 120 days past due	67,443.38	15,863.05
Total	**1,57,561.95**	1,17,486.33

Liquidity Risk

Liquidity is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Company's approch to managing liquidity is to ensure, as far as possible, that it will always be sufficient to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Companies's reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowings facilities by continuously monitoring forcaste and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirement of the Company.

(i) Financial Arrangements

The Company has accessed to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in lakh)

Particulars	**31st March, 2019**	**31st March, 2018**
Floating Rate Borrowings		
Expiring within one year		
Bank of India	15,567.52	15,662.63
Working Capital Loan (BOI)	12,146.73	23,044.24
Total	**27,714.24**	38,706.88

(ii) Maturities of financial liabilities

The following are the Contractual maturities (principal repayment) of non-derivatives financial liabilities, based on contractual cash flows:

(₹ in lakh)

31st March 2019	Contractual cash flows					
Contractual Maturities of financial liabilities	**3-months or less**	**3-12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Power Finance Corporation						
- Rupee Term Loan I	-	11,880.74	11,880.74	35,642.22	17,821.11	77,224.81
- Rupee Term Loan II	16,280.52	16,280.52	32,561.04	97,682.82	65,121.88	2,27,926.78
Bank of India	-	4,836.00	4,836.00	14,508.00	6,186.00	30,366.00
Total	**16,280.52**	**32,997.26**	**49,277.78**	**1,47,833.04**	**89,128.99**	**3,35,517.59**

(iii) Maturities of financial liabilities

The following are the Contractual maturities (interest) of non-derivatives financial liabilities, based on contractual cash flows:

(₹ in lakh)

31st March 2019	Contractual cash flows					
Contractual Maturities of financial liabilities	**3-months or less**	**3-12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Power Finance Corporation						
- Rupee Term Loan I	1,965.76	5,382.17	6,116.63	12,341.26	176.14	25,981.95
- Rupee Term Loan II	5,012.28	14,254.45	16,162.30	34,123.69	891.17	70,443.89
Bank of India	623.59	1,769.05	1,952.11	4,233.62	-	8,578.37
Total	**7,601.63**	**21,405.67**	**24,231.04**	**50,698.56**	**1,067.31**	**1,05,004.21**

Market Risk

Market Risk is the risk that change in the market prices, such as foreign exchange, interest rates and equity prices will effect the companies income or the values of its holding of financial instruments.The objective of the market risk management is to manage or control market risk within the acceptable parameters, while optimising return.

Interest rate risk

The Company is exposed to Interest rate risk arising mainly from the Long Term Borrowings with the floating interest rates. The Company is exposed to the interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with the change in interest rates. However, the actual interest incurred in the normative loan is recovered from the beneficiary as fixed charge as per the CERC regulations.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

(₹ in lakh)

Particulars	31st March, 2019	31st March, 2018
Financial Liabilities		
Variable-rate instruments		
Rupee term Loans		
- From banks	**25,530.48**	27,852.97
-From Power finance Corporation (PFC)	**2,60,710.37**	3,05,152.16
-Working Capital loan	**87,853.27**	67,273.37
Fixed-rate instruments		
Rupee term loans	**-**	-

Cash flow sensitivity analysis for variable-rate instruments

A change in 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.
The analysis is perfomed on the same basis for the previous year

(₹ in lakh)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31st March 2019		
Rupee Term Loans		
- From Banks	(163.21)	163.21
- From Power Finance Corporation (PFC)	(1,910.22)	1910.22
Total	**(2,073.43)**	**2073.43**

39. Disclosure as per Ind AS 108 'Operating Segments'

A. Basis of segmentaion

The Company has only one stratagic divisions which is its reportable Segment.

Reportable segments	Product / services from which reportable segment derives revenues
Power Generation	Generation of Power and Sale to power utilities

The Board of Directors monitors the operating results of the business units separately for the purpose of decision making decisions about resource allocation and performance assessment.

B. Information about the major Customers

Revenue from the major customers which is more than 10% of the Company's total revenues.

(₹ in lakh)

Name of Customers	As at 31st March 2019		As at 31st March 2018	
	Revenue (₹ In lakh)	Percentage of Total Revenue	Revenue (₹ In lakh)	Percentage of Total Revenue
Tamilnadu Generation and Distribution Corporation Ltd.,	1,14,967.86	41.10	1,13,141.87	40.55
Telangana State Southern Power Distribution Company Ltd.,	31,033.92	11.09	25,910.08	9.03
Bangalore Electricity Supply Company Ltd.,	26,743.49	9.56	30,903.34	11.08

40. Capital Employed **(₹ in lakh)**

Particulars	31st March, 2019	31st March, 2018
Capital employed shall comprise of Net Worth, Long Term Borrowings excluding CWIP and Investment made	5,34,238.22	5,53,928.16

41. Disclosure as per Ind AS 12 'Income taxes'

(i) Income tax recognised in Statement of Profit and Loss

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Current tax expense		
Current year	**9,177.43**	4,452.35
Adjustment for MAT credit	**(9,177.43)**	-
Adjustment for earlier years	**-**	
Pertaining to regulatory deferral account balances	**-**	
Total current tax expense	**-**	4,452.35
Deferred tax expense		
Origination and reversal of temporary differences	**5,948.05**	-
Less: Deferred asset for deferred tax liability	**9,566.67**	-
Total deferred tax expense	**15,514.72**	2,762.79
Total income tax expense	**15,514.72**	7,215.14

42. Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(I) Nature of rate regulated activities

The Company is engaged in the business of generation of power by using coal. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulation Commission (CERC). The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity.

(II) Risks associated with future recovery/reversal of regulatory deferral account balances

(i) Demand risk - Availability of alternative and cheaper sources of power may result in reduced demand.

(ii) Regulatory risk - The regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in derecognition of regulatory deferral asset / liability.

(III) Reconciliation of the carrying amounts

The regulated assets/liability recognised in the books to be recovered from or payable to beneficiaries in future periods as follows:

a) Regulatory deferral account debit balance

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
A. Opening balance	**-**	-
B. Recognised during the current year	**35,616.34**	-
C. Amount adjusted / collected / refunded during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**35,616.34**	-
E. Closing balance	**35,616.34**	-

b) Regulatory deferral account credit balance

(₹ in lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
A. Opening balance	**-**	-
B. Recognised during the current year	**-**	-
C. Amount adjusted / collected / refunded during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**-**	-
E. Closing balance	**-**	-

c) Total amount recognised in the Statement of Profit & Loss during the year **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
Total amount recognised in the Statement of Profit & Loss during the year	**35,616.34**	-

The company expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and / or upon passing of orders by Appellate / Other Authorities.

43. Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 **(₹ in lakh)**

Particulars	As at 31st March 2019	As at 31st March 2018
a) Amount remaining unpaid to any supplier:		
Principal amount	**1,028.11**	942.60
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid.	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act 2006	-	-

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

45. Amount in the financial statements are presented in ₹ lakh (upto two decimals) except for per share data and as other wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately. Figures of Previous years has been regrouped wherever necessary.

46 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries for sale of power and lignite is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. Loan outstanding balances of emplyees are also reconciled periodically.

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

47. Recent accounting pronoucements

Standards issued but not yet effective:

Ind AS 116 'Leases'

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS17,Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of plant premises and township premises. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. No significant impact is expected for the Company's finance leases.

ii. Leases in which the Company is a lessor

No significant impact is expected for leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1st April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1st April 2019, with no restatement of comparative information. The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1st April 2019 and identified as leases in accordance with Ind AS 17.

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