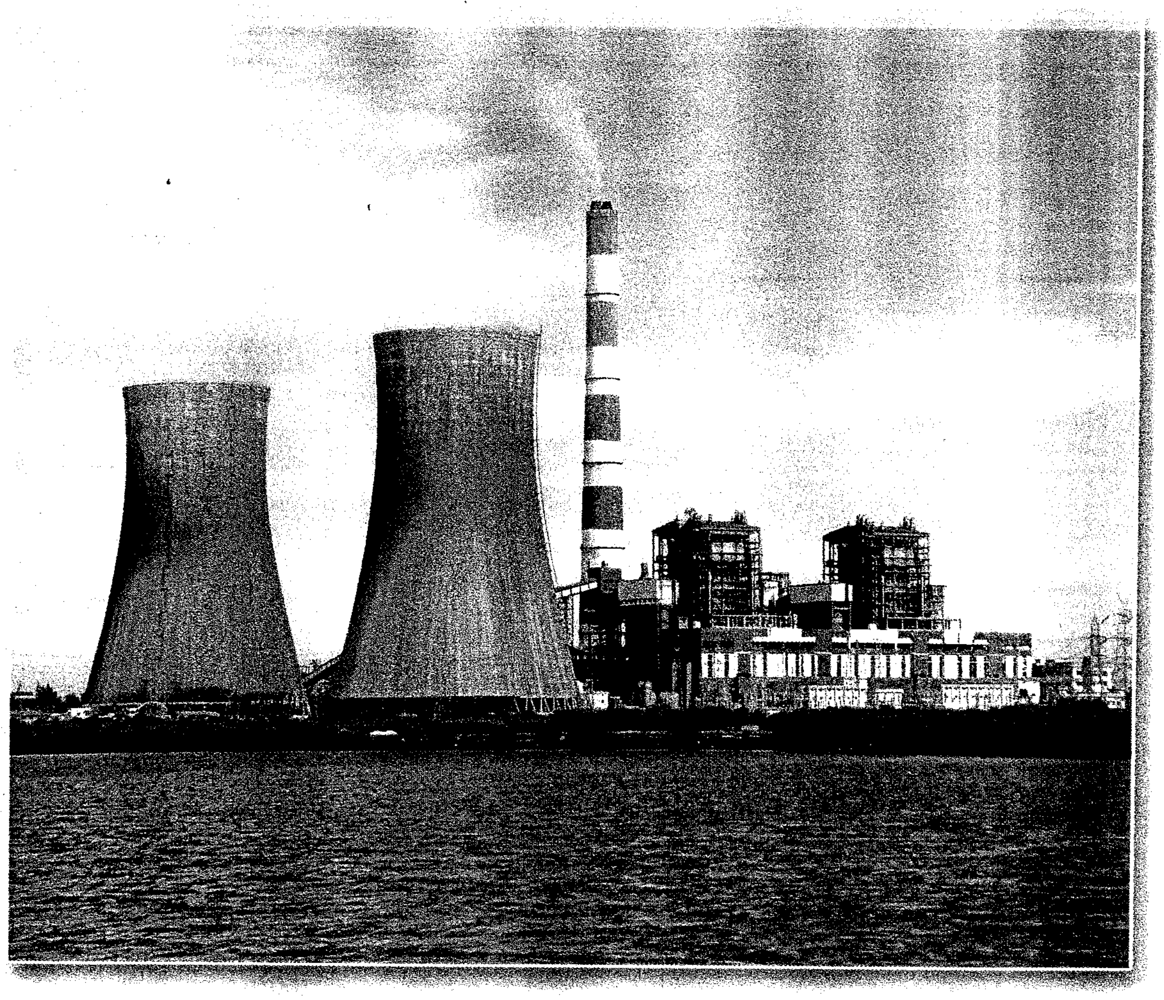
NTPL

NLC TAMILNADU POWER LIMITED



12th Annual Report

2017 - 2018

CHAIRMAN

Dr. Sarat Kumar Acharya

DIRECTORS

Shri Rakesh Kumar

Shri V.Thangapandian

Shri Nadella Naga Maheswar Rao

Shri Mukesh Choudhary

Smt. S.Geetha

Smt. Nalini Padmanabhan

CHIEF EXECUTIVE OFFICER

Shri Shaji John

CHIEF FINANCIAL OFFICER

Shri W.Jeyasingh Daniel

COMPANY SECRETARY

Shri R.Jayasarathy

STATUTORY AUDITOR

Maharaj N R Suresh and Co.,
Chartered Accountants,
9, (Old 5), II Lane, II Main Road,
Trustpuram,
Chennai - 600 024.

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 Baroda

Bank of India

State Bank of India

Canara Bank

Power Finance Corporation Limited

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DIRECTORS' REPORT FOR THE YEAR 2017-18

To
The Members,
NLC Tamil Nadu Power Limited.

Your Board of Directors have pleasure to present the 12th Directors' Report together with the Audited Accounts of the Company for the year ended 31st March 2018.

Performance

Physical

During the year 2017-18, the Thermal Plant (2x500 MW) at Tuticorin generated Power of 5412.996 Million Units (MU) registering at an annual PLF of 61.79%.The Thermal Plant had achieved the Plant Availability Factor of 80.08% as against the norm of 85%.

The details of generation and export of Power during the financial year 2017-18 as compared to the previous year are as under:

	Power Generation (MU)		Power Export (MU)	
	2017-18	2016-17	2017-18	2016-17
Unit-1	2634.941	3069.236	2446.735	2850.365
Unit-2	2778.054	3183.507	2579.627	2956.486
Total	5412.996	6252.743	5026.362	5806.851

Your Company has achieved 78.26 %.PLF Power Generation (including Deemed generation of 1443MU)*

* Deemed generation would include only that power surrender for which CPSE is paid.

The reason for decrease in the generation of power by 13.43% over the previous year 2016-17 was mainly attributable to 1539 MU of power surrendered by the beneficiaries and also due to partial loss & forced outage on account of shortage of coal.

Productivity

The output per man shift achieved during the year 2017-18 as compared to the previous year is given below:

Product	Unit	2017-18	2016-17
Power	KWhr	88598	108119

Financial

During the year ended 31st March 2018, your Company has registered a power sales of ₹2794.79 crore as against ₹2510.69 crore recorded in the year 2016-17. The Revenue from Operations for the year 2017-18 was ₹2817.71 crore as against ₹2533.15 crore in 2016-17. The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2017-18 were ₹218.48 crore and ₹146.33 crore respectively as against ₹134.20 crore and ₹78.04 crore respectively in the year 2016-17.

The Operating Profit as a percentage of Revenue from Operations (Net) for the year 2017-18 was 4.84 % and PAT/Average Net Worth of the Company for the year 2017-18 was 6.81%.

The details of financial results of the Company for the year 2017-18 as compared to previous year are as under :

(₹ in crore)

Particulars	2017-18	2016-17
Total Income	2899.83	2610.32
Total Expenditure	1906.81	1659.06
Gross Margin	993.02	951.26
Depreciation	361.86	359.87
Finance Cost	412.68	457.19
Profit Before Tax	218.48	134.20
Current Tax	44.52	29.00
Deferred Tax	27.63	27.16
Profit After Tax	146.33	78.04

Dividend

During the year 2017-18, the Board of Directors of your Company declared a maiden Interim Dividend of 1% (₹21.88 crore) and the same has been treated as the dividend for the year 2017-18.The total dividend outgo was ₹26.33 crore (including dividend distribution tax of ₹4.45 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 be funded with an equity and debt ratio of 30:70. As on 31st March, 2018, the total equity share capital of ₹2188.04 crore has been fully subscribed by the Promoters viz, NLC India Limited (NLCIL) and Tamilnadu 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 2017-18, your Company had spent CAPEX (accrual basis) for ₹159.46 crore. Percentage of value of CAPEX contracts / Projects running / completed during the year without time / cost overrun to total value of CAPEX contracts running / completed during the year 2017-18 was 34.13 %.

Working Capital Funding

Your Company has working capital funding arrangement from Bank of India with a sanctioned limit of ₹1000 crore.Your Company has also availed short term loan from NLC India Limited (Holding Company) with a sanctioned limit of ₹1000 crore as a standing funding arrangement and the outstanding balance as on 31.03.2018 was ₹750 crore.

Status of Package Contracts

Performance Guarantee (PG) test for all packages were completed except for Ash Handling System & Cooling Towers Packages and the progress of the performance test for the said packages are being closely monitored. Residual works as per project sanction like construction of Phase-II Quarters, CISF Barracks, Amenities & Quarters, Additional Service Water Tanks, Additional Silos, Ash Dyke and ERP implementation are in various stages of completion and the same is being followed up for expeditious completion.

Supply of Coal

Your Company has signed the Fuel Supply Agreements with Mahanadi Coal Fields Limited (MCL) and Eastern Coalfields Limited (ECL) for supply of various grades of Coal.

As there was no adequate indigenous coal available and in order to meet the fuel requirement for generation of power, during the year under review about 0.43 Million Ton of imported coal was procured.

Fly Ash Disposal

Fly Ash is being sold through e-Auction to Cement Manufacturing Companies. Fly ash is being supplied at free of cost to Brick Manufacturers as per Ministry of Environment and Forest (MoEF) guidelines. During the year, 808706 Tons of fly ash was disposed.

Utilisation of Ash

During the year 2017-18, Your Company had achieved 100% Ash utilisation (Fly Ash and Bottom Ash) by supplying to Cement and brick manufacturing Companies.

Land for Ash Dyke

The Government of Tamilnadu has accorded administrative sanction under the provisions of the Tamilnadu Industrial Purposes Act,1197 (Act 10 of 1997) for acquisition of land measuring 286.21 Acres in Melapandiapuram Village, Ottapidaram Taluk in Thoothukudi District for construction of Ash dyke. Survey work and formation of Mini Ash Pond has been completed.

Commercial

Power Allocation

The power share allocation is as follows:

Beneficiary State/UT	MW	%
Andhra Pradesh	123.15	12.315
Karnataka	213.35	21.335
Kerala	72.50	7.250
Tamil Nadu	408.35	40.835
Telangana	152.75	15.275
Puducherry	29.90	2.990
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 Central Government and generators selling power to more than one State. CERC had issued tariff order for the period from the date of COD to 2019 and a review petition has been filed with CERC which is under scrutiny.

Power Dues / Realisation

The outstanding power dues of the Company as on 31st March 2018 was ₹1174.86 crore as against ₹1043.17 crore for the corresponding period of the year ended 31st March 2017. The dues beyond the 60 days limit as on 31st March 2018 was ₹493.94 crore as against ₹359.67 crore for the corresponding period of the previous year ended 31st March 2017.

During the year 2017-18, trade receivables (Net) as number of days of Revenue from Operation (Gross) was 144.89 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 2017-18 was NIL.

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 had observed National Energy Conservation week from 14th December 2017 to 20th December 2017 during which energy conservation and efficiency measures were disseminated in and around the Company through campaign in all departments, distribution of pamphlets, conducting competition viz. Slogans, Quiz, Essay Writing for School Children, Employees, their Spouses, nearby industries etc.

Your Company had hosted 'The Energy Conservation Meet 2017-18' which was held at Tuticorin on 29.03.2018 and various measures adopted to conserve energy and thereby reducing of Auxiliary Power Consumption were discussed.The energy conservation measures implemented during the year 2017-18 and also proposed to be implemented in the year 2018-19 were presented in a detailed way. Street Light fittings were replaced with LED Light fittings and about 1.165 MU of energy was conserved during the year 2017-18.

(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 - ₹7.44 Lakh.

(B) Technology absorption-

(i) The efforts made towards technology absorption

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

- Introduction of additional Strainer in Circulating Water System.
- Zero Speed switch provided for Slag Conveyor in Unit 1 & Unit 2.
- Implementation of Reserve start of MDBFP on tripping of anyone of the running TDBFP in both the units.
- Introduction of additional pneumatic cylinder in Mill Reject System.

(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 : ₹322.06 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 2017-18, there were fifteen applications referred to the Company and the information sought were furnished in time. There were two appeals to the Commission 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 2017-18 for procurement from MSME was at 20% and the same was attained.

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 utilisation of manpower continued in the year under review also.The total manpower of the Company as on 31st March,2018 was 241.

During the year 2017-18, the major HR related activities carried out were as under:

- Online submission of ACR/APAR in respect of all executives within the prescribed timelines.
- Updation of Online quarterly vigilance clearance for all Senior Executives (ADGM and above).
- Succession plan was approved by the Board of Directors of Holding Company on 27.09.2017.
- DPC was held for executives within the timelines.
- Placement of HR Audit Report to Board completed on 27.09.2017.

During the year pay revision for executives with effect from 01.01.2017 was implemented.

Employee Development

Your Company is 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 250 employees and 1000 Contract Workmen were trained, totaling 3690 training mandays for the year 2017-18.

Industrial Relations

In general, the industrial relations scenario of the organisation remained by and large peaceful and cordial during the year 2017-18.

Implementation of Official Language Policy

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

Welfare Activities

- Blood donation camp was conducted and Hepatitis B vaccination was administrated to all employees & contract employees in arrangement with Government Hospital,Tuticorin on 07.04.2017.
- Dengue eradication camps were conducted in Tsunami colony and Labour colony Tuticorin on 17.10.2017 & 16.11.2017 respectively.
- Breast cancer & Cervical Cancer screening camps were conducted on 12.02.2018 & 13.02.2018 in which around 85 contract women and employees spouse had participated.
- Free Eye camp was conducted for the general public in collaboration with Aravind Eye Hospital, Tuticorin on18.03.2018.150 persons were screened, in which 20 persons were sent to Aravind Eye Hospital for cataract operation and for 50 persons spectacles were issued on free of cost.

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 and so far about 21,000 trees have been planted 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, monthly safety committee meetings to review the safety measures are being conducted.

Safety awareness training programme for contract workers & orientation class for contract workmen-fresher's were conducted regularly and more than 1000 contract workers had attended the training in the year 2017-18.

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.

Various IT initiatives such as Integrated Compliant Management System, Public Interface thro' Social Media, Webpage, Whatsapp Messenger, Payment to Contract Workmen by the Contractors through Bank and Installation of Surveillance Camera have been taken besides mapping of corruption.

As was done during the last year as part of vigilance awareness and ethical character education, inter-college and school competitions on vigilance theme "My vision Corruption Free India" were held during the Vigilance Awareness Week celebration in October, 2017 and about 3000 students and faculty members had participated.

During the year 2017-18 totally 12 complaints were received by Vigilance department and all the complaints have been disposed of. Out of the above disposed cases, 10 complaints were anonymous / pseudonymous, two complaints were disposed with the recommendations for system improvement.

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 the Auditors Certificate on the compliance of Corporate Governance conditions stipulated as per DPE Guidelines on Corporate Governance is 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 ₹143.76 lakh has been spent towards construction of Compound Wall for Veppalodai Government School & Government ITI, Green Belt Plantation opposite to Township & from VOC Port Guest House to Coast Guard and Levelling & fencing for fruit orchard opposite to custom office in Tuticorin District under CSR activity. As per requirements of the Companies Act,2013, the report on CSR activities is furnished in Annexure-4.

Further, as part of CSR initiatives, the following activities are under progress:

a Cleaning of Seemai Karuvelam plants from roughly 50 acres of pond area and leveling the field from south of Korampallam Reservoir.

b Creating and maintaining a baby pond in Korampallam lake near Kalankarai Village.

c Desilting of Korampallam Reservoir Tank.

d Increasing water storage capacity of Korampallam tank by removing unwanted plant growth.

e Strengthening of the bunds.

f Desilting of 8 acres of reservoir tank.

g Desilting of Korampallam tank and transporting desilted mud to identified farmer's field. (remaining 20 acres)

h Desilting of Korampallam tank inner channel.

i Providing two R.O. plants (1000 Lph capacity) to be installed at Government Medical College Hospital Tuticorin.

j Digging of Borewells and Supply & Erection of Water Hand Pumps and allied works

k Desilting of Taruvai pond in Mulakkad Municipality.

l Removal of Seemai Karuvelam, Thorne.

m Providing Battery Car to Arulmigu Subramania Swamy Temple, Tiruchendur and Arulmigu Ramanathaswamy Temple, Rameswaram.

Particulars of Employees

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

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 2017-18, your Company has not granted any loan or guarantee or made any investments.

Transfer to Reserves

During the year 2017-18, no amount has been transferred to reserves.

Deposits

During the year 2017-18, 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 2017-18, no complaint was received by the said Committee as regards to your Company.

AUDITORS

Statutory Audit

Maharaj N R Suresh 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 2017-18, under Section 139 of the Companies Act, 2013. The Board of Directors of the Company has fixed ₹1,75,000/- plus applicable GST as the Statutory Audit Fees for the year 2017-18, in addition to the reimbursement of out of pocket expenses at actual and certification fee of ₹5000/- each plus GST subject to maximum of ten certifications.

Secretarial Audit

A.K.Jain & Associates, Practising Company Secretaries, Chennai was appointed as the Secretarial Auditor of the Company for the year 2017-18. The Secretarial Audit Report and the reply to the observations of the Secretarial Auditor is furnished in Annexure-6.

Internal Audit

J.Singh & Associates, Chartered Accountants, Chennai, has been appointed as the Internal Auditor of the Company for the financial year 2017-18.

Cost Audit

Dhananjay V.Joshi & Associates, Cost Accountants,Pune has been appointed as the Cost Auditor for the year 2017-18 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, 2018 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.

Board of Directors

Shri.V.N.Babu had relinquished as the Chief Financial Officer of the Company w.e.f 09.10.2017 and in his place Shri.W.Jeyasingh Daniel, was appointed as the Chief Financial Officer of the Company from that date.

Pursuant to the Ministry of Coal letter No.F.No.21/13/2010-ASO/BA dated 22.12.2017, Ms.Nalini Padmanabhan (DIN 01565909) was inducted in to the Board as an Additional Director of the Company (Non-official Part-time Director/Independent Director) with effect from 22nd December, 2017. Shri.M.Prabhagar had relinquished as the Chief Executive Officer of the Company with effect from 01.04.2018 on attaining the age of superannuation and in his place Shri Shaji John was appointed as the Chief Executive Officer of the Company with effect from 01.04.2018.

Shri P. Selvakumar (DIN 07347130) representing NLCIL as Ex-Officio Director on the Board of the Company had relinquished his office with effect from 01.06.2018 on attaining the age of superannuation and in his place Shri Nadella Naga Maheswar Rao.(DIN 08148117) representing NLCIL as Ex-Officio Director was inducted as an Additional Director on the Board of the Company with effect from 29th June, 2018.

The Board places on record its appreciation for the valuable contribution made by Shri P.Selvakumar during his tenure as Director on the Board of the Company.

The Board also places on record its appreciation for the contribution made by Shri V.N.Babu, Shri M.Prabhagar during their tenure as Chief Financial Officer, Chief Executive Officer respectively of the Company.

Shri Rakesh Kumar (DIN 02865335) and Shri.Mukesh Choudhary (DIN 07532479), Directors, retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves 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,TANGEDCO, TNEB Limited, V.O Chidambaranar Port Trust, Tuticorin 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, Central Electricity Authority, Central Electricity Regulatory Commission, 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, the Statutory Auditors, 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 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 : Chennai
Date : 11.07.2018

Dr. SARAT KUMAR ACHARYA
CHAIRMAN

Annexure - 1

Management Discussion and Analysis Report

Industry Structure and Development

Power

According to the IMF world Economic Out Look, the growth projection of India are at 7.4% for the year 2018-19 and 7.8%for the year 2019-20. Development of efficient Power Generation and Distribution System could pave away for achieving the sustained economic growth.India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, agricultural and domestic waste so as to increase the power generation and to meet the sustained economic growth. India is the world's third largest producer and the third largest consumer of electricity and the per capita consumption is very low compared to other countries.The Ministry of Power has drawn a road map by fixing targets for additional capacity, development in generation, transmission, distribution, energy efficiency, renewable energy to achieve the goals of supplying quality, reliable and affordable power to all the beneficiaries such as households,industries and commercial establishments by creating and improving necessary infrastructure through 'Power for All Programme'.

The total installed capacity for power generation has increased from 1362 MW (Year-1947) to 344002.39 MW as on 31.03.2018. Coal based Thermal Power stations are contributing 57.32% of the total Installed capacity. The renewable power plants constituted 20.06% of total installed capacity and the remaining 79.94% for Non-Renewable Power Plants. (Source: CEA-Executive Summary, March,2018).

The Government of India is providing various incentives based on generation of power, capital and interest subsidies,viability gap funding etc.,to promote the renewable energy sector.

Demand

During the year 2017-18 the country's power supply was 1203567 MU as against the requirement of 1212134 MU, with the deficit of 0.7% and peak hours at 2.0%, In Southern region, during the year 2017-18 the power supply was 319277 MU as against the requirement of 319884 MU with the power supply deficit of 0.2% at 606 MW and in the peak hours the power supply deficit of 88MW. (Source:CEA - Executive Summary, March, 2018). Considering the GDP growth rate of 9% the working group on power for 12th plan has projected an energy demand of 1993 BU in the terminal year of 13th plan (2021-22).

Production

During the year 2017-18, the aggregate all-India installed capacity of electric power generating stations was increased by 17153.86 MW.The Overall generation (including generation from grid connected renewable sources) in the country has been increased from 1110.458 BU during 2014-15 to1306.614 BU during 2017-18.

The performance of Category wise generation during the year 2017-18 was thermal increased by 4.27%, Hydroreduced by 3.07%, Nuclear increased by 0.87%.Renewables increased by 23.48 % and the overall growth rate recorded by 5.35%.

The electricity generation from conventional sources during the year 2017-18 was 1205.921BU, with a growth rate of 3.95 % over the previous year.

The Government of India has also planned to achieve 175 GW capacity in renewable energy by 2022 which includes 100 GW of solar power and 60 GW of wind power. The Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

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.
- Good financial support.
- Commitment to protect the stakeholder's interest.
- Harmonious industrial relations.

Weakness

- Dependent on external suppliers for supply of required Coal.

Opportunities

- 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 in to renewable energy sources.

Threat

- Stringent norms being set by the Regulators.
- Surrender of Power by DISCOMS leads to under utilization of Thermal Capacity.
- Delayed realisation of power dues from DISCOMS
- Challenge posed by renewable energy to Thermal Power.

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.

Risks and Concerns

- Stringent environmental norms prescribed by the respective authorities.
- Stringent operational norms prescribed by the Regulatory Authorities for the purpose of fixing the tariff.
- Surrender of power by the beneficiaries.

Internal control systems and their adequacy

The Internal audit is covering all the areas of operations is conducted by an external firm of Chartered Accountant and the report of the Auditors 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 is subject to C&AG audit in addition to the propriety audit conducted by them.

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 : Chennai
Date : 11.07.2018

Dr. SARAT KUMAR ACHARYA
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 responsible corporate citizen adheres to the standards of good corporate governance in letter and spirit.

Board of Directors

The Board of Directors of your Company is headed by a Non-executive Chairman. The composition of the 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
iv.	Independent Directors	-	3
	a. Independent Director from NLCIL Board - 1		
	b. Other Independent Directors - 2		
		Total	9

The Present composition of the Board of Directors of the Company is not fully confirming to the composition approved by the Government of India since two Independent Directors are required to be appointed on the Board of the Company. The issue relating to the appointment of two Independent Directors on the Board of the Company has been referred to the 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,2018 and other details are furnished as follows:

Sl. No.	Name	Other Directorships held as on 31.03.2018	Other Committee* Membership held as on 31.03.2018	
	Directors representing NLCIL		**As Member**	**As Chairman**
1	Dr. Sarat Kumar Acharya (DIN:03357603)	2	-	-
2	Shri Rakesh Kumar (DIN:02865335)	2	1	1
3	Shri V. Thangapandian (DIN:07255163)	2	2	-
4	Shri P. Selvakumar (DIN:07347130)	1	-	-
	Director representing TANGEDCO			
5	Smt. S.Geetha (DIN:07770445)	5	-	-
	Director representing Ministry of Coal			
6	Shri Mukesh Choudhary (DIN:07532479)	1	-	-
	Independent Director from NLCIL Board			
7	Smt. Nalini Padmanabhan (DIN: 01565909)	2	-	-

*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, mobilization 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 2017-2018 nine meetings of the Board of Directors were held on the following dates:-

12th May 2017, 27th May 2017, 14th July 2017, 2nd September 2017, 27th September 2017, 14th November 2017, 24th January 2018, 22nd March 2018 and 28th March 2018.

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 2017-2018 were as under:-

Sl. No.	Name	No. of Meetings attended out of 9 held	Remarks
1	Dr.Sarat Kumar Acharya	9	
2	Shri Rakesh Kumar	9	
3	Shri V. Thangapandian	9	
4	Shri P. Selvakumar	9	
5	Shri Mukesh choudhary	5	
6	Smt. S. Geetha	5	
7	Smt. Nalini Padmanabhan	3	Inducted - w.e.f. 22.12.2017

Annual General Meeting Attendance

Dr.Sarat Kumar Acharya, Chairman, Shri Rakesh Kumar, Shri P. Selvakumar,Shri V. Thangapandian and Smt. S. Geetha, Directors attended the last Annual General Meeting held on 27th September, 2017.

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 31.03.2018,comprised Dr.Sarat Kumar Acharya,as its Chairman and Shri Rakesh Kumar, Shri V.Thangapandian,Shri P.Selvakumar 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 31.03.2018 comprised Smt.Nalini Padmanabhan, Independent Director as its Chairperson and Shri Rakesh Kumar, Shri V.Thangapandian, Shri P. Selvakumar and Smt.S.Geetha Directors as its Members. In the absence of required numbers of Independent Directors on the Board, the Committee could not be constituted as prescribed under 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 2017-2018 six meetings of the Audit Committee of the Board of Directors were held on the following dates:-

12th May 2017, 14th July 2017, 2nd September 2017, 27th September 2017, 14th November 2017 and 8th March 2018.

The details of attendance of Directors at the Audit Committee Meetings of the Company held during the year 2017-2018 were as under:-

Sl. No.	Name	No. of Meetings attended out of 6 held	Remarks
1	Shri Rakesh Kumar	5	Chairman - upto 23.01.2018
2	Smt. Nalini Padmanabhan	1	Chairperson - w.e.f. 24.01.2018
3	Shri Rakesh Kumar	1	Member
4	Shri V.Thangapandian	6	Member
5	Shri P.Selvakumar	6	Member
6	Smt. S.Geetha	4	Member

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 31.03.2018 comprised Shri V. Thangapandian Director as its Chairman and Shri Rakesh Kumar, Smt. S. Geetha and Smt.Nalini Padmanabhan, Directors as its Members.Smt.Nalini Padmanabhan,Independent Director was inducted into the Committee w.e.f.24.01.2018. During the year 2017-18, one meeting was held on 14th November,2017 and Shri V. Thangapandian, Shri Rakesh Kumar and Smt. Geetha members attended the said meeting.

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 for compliance of DPE Guidelines on payment of Performance Related Pay (PRP).

The composition of Committee as on 31.03.2018 comprised Smt. Nalini Padmanabhan, Independent Director as its Chairperson w.e.f.24.01.2018 and Shri Rakesh Kumar, 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, 2018".

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
AGM 2014-15	29.09.2015-10.00 Hours	'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai - 600 010.
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.

Special Resolutions

An Extra-Ordinary General Meeting of the Company was held on 09.07.2016 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/KMPs of the Company are Inter-se related as on 31.03.2018.

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. No communication was made through newspaper / website.

Plant Location

Coal based Thermal Power Project (2x500 MW) is situated at Harbour Estate,Tuticorin,TamilNadu.

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 2017-18.

Whistle Blower Policy

The Company has formulated the Whistle Blower Policy which provide adequate information to the employees with regard to implementation of vigilance mechanism in the Company and safeguards against victimization of employees who availing 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 Govemance 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 : Chennai
Date : 11.07.2018

Dr. SARAT KUMAR ACHARYA
CHAIRMAN

Annexure-3

Maharaj NR Suresh And Co.
Chartered Accountants
9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai - 600 024
Tel : (044) 24837583, 24801322 Fax : 044 - 24813734 e-mail : mnrssuresh56@gmail.com

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
NLC Tamilnadu Power Limited

1. We have examined the compliance of conditions of Corporate Governance by NLC Tamilnadu Power Limited for the year ended 31st March 2018 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 4.1.2 of the DPE guidelines on Corporate Governance stipulates that the Chairman of the Audit Committee shall be an Independent Directors. However this has not been complied with upto 23.01.2018.
   iv. 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.
   v. As per the requirement of Clause 5.1 of the DPE guidelines on Corporate Governance stipulates that the Remuneration Committee should be headed by an Independent Director. However this has not been complied with upto 23.01.2018.
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 Maharaj N.R.Suresh and Co
Chartered Accountants
Firm Regn. No.001931S

N.R.JAYADEVAN
Membership No.023838
Partner

Place : Chennai
Date : 04.07.2018

Annexure-4

NLC TAMILNADU 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 programs.

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.

2. The Composition of the CSR Committee

The CSR committee of the Board of Directors as on 31.03.2018 was as under:

1. Shri V. Thangapandian	-	Chairman
2. Shri RakeshKumar	-	Member
3. Smt.S.Geetha	-	Member
4. Smt. Nalini Padmanabhan	-	Member

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

Not applicable since the Thermal Power Plant commenced its commercial operation in the F.Y. 2015-16.

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

The Company is not required to spend on CSR activities during the year under review as per the requirements of the Companies Act, 2013. However, CSR activities under Schedule VII of the Companies Act, 2013 were carried out.

5. Details of CSR spent during the financial year 2017-18 : ₹143.76 lakh

a) Total amount to be spent for the financial year : NA

b) Amount unspent, if any : NA

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	Construction of Compound Wall for Veppalodai Government School & Government ITI	Promoting Education	Thoothukudi, Tamil Nadu		62.32	62.32	Direct
2	Green Belt Plantation opposite to NTPL Township	Environmental Sustainability			81.44	81.44	
3	Green Belt Plantation from VOC Port Guest House to Coast Guard						
4	Levelling & fencing for fruit orchard opposite to Custom Office						
	TOTAL				143.76	143.76	

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

Annexure-5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2018

[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 TAMILNADU 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.com
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	99.19%

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, (formerly Neyveli Lignite Corporation 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	-	218,80,42,000	218,80,42,000	100	-
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1)		218,80,42,000	218,80,42,000	100	-	218,80,42,000	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	-	218,80,42,000	218,80,42,000	100	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)		218,80,42,000	218,80,42,000	100	-	218,80,42,000	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	-	218,80,42,000	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	-	-

(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

*Allotment

(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				
	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 31.03.2018)	100	-	100	-
	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 31.03.2018)	100	-	100	-
	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 31.03.2018)	100	-	100	-
	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			
	At the end of the year (as on 31.03.2018)	100	-	100	-

* Shares are held in the name of Directors on behalf of NLC India Ltd., the Promoter Company.

No KMP is holding any shares in the Company.

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				
i) Principal Amount	4519,51,18,019	520,00,00,000	-	5039,51,18,019
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,42,93,174	-	-	1,42,93,174
Total (i+ii+iii)	4520,94,11,193	520,00,00,000	-	5040,94,11,193
Change in Indebtedness during the financial year				
·Addition*	420,46,89,451	1100,00,00,000	-	1520,46,89,451
·Reduction	(445,00,24,962)	(870,00,00,000)	-	(1315,00,24,962)
Net Change	(24,53,35,511)	230,00,00,000	-	205,46,64,489
Indebtedness at the end of the financial year				
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

* 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.	Independent Directors					
	· Fee for attending Board/Committee Meetings	20,000	-	-	-	20,000
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (1)	20,000	-	-	-	20,000
2.	Other Non-Executive Directors					
	· Fee for attending Board/Committee Meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	20,000	-	-	-	20,000
	Total Managerial Remuneration	20,000	-	-	-	20,000
	Overall Ceiling as per the Act	NA	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)				
		M.Prabhagar CEO	V N Babu CFO Up to 08.10.2017	W Jeyasingh Daniel CFO From 09.10.2017 to 31.03.2018	R.Jayasarathy CS	Total
1.	Gross salary					
	(a) Salary as per provisions contained in Sec17(1) of the Income-tax Act,1961	52,22,809	16,62,536	19,63,840	27,68,118	1,16,17,303
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	76,163	15,718	46,980	27,178	1,66,039
	(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	-	-	-	-	-
	Total	52,98,972	16,78,254	20,10,820	27,95,296	1,17,83,342

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

for and on behalf of the Board of Directors

Place : Chennai

Date : 11.07.2018

Dr. SARAT KUMAR ACHARYA
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 31.03.2018

[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 TamilNadu 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, 2018 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, 2018 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and regulations and bye-laws framed there under;
(Not applicable to the Company during the Audit period)

(iv) Foreign Exchange Management Act, 1999 and the Rules and the 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 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).

Duing 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 have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.

2. The composition of the Audit Committee with respect to requisite numbers of Independent Directors in the Committee as prescribed under the DPE Guidelines on Corporate Governance has not been complied with.

3. The requirement to have an Independent Director as the Chairman of the Audit Committee as prescribed in the DPE guidelines on Corporate Governance has not been complied with upto 23.01.2018.
4. In the absence of Independent Directors, the quorum prescribed for the Audit Committee meeting as per the DPE Guidelines on Corporate Governance has not been complied with.
5. The requirement to have an Independent Director as the Chairman of the Remuneration Committee as prescribed in the DPE guidelines on Corporate Governance has not been complied with upto 23.01.2018.

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 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 a majority 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 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.

For A.K.JAIN & ASSOCIATES
Company Secretaries

Place : Chennai
Date : 19.06.2018

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

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 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 with respect to have requisite numbers of Independent Directors in the Committee as prescribed under the DPE Guidelines on Corporate Governance has not been complied with.	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.	The requirement to have an Independent Director as the Chairman of the Audit Committee as prescribed in the DPE guidelines on Corporate Governance has not been complied with upto 23.01.2018.	
4.	In the absence of Independent Directors, the quorum prescribed for the Audit Committee meeting as per the DPE Guidelines on Corporate Governance has not been complied with.	
5.	The requirement to have an Independent Director as the Chairman of the Remuneration Committee as prescribed in the DPE guidelines on Corporate Governance has not been complied with upto 23.01.2018.	

for and on behalf of the Board of Directors

Place : Chennai
Date : 11.07.2018

Dr. SARAT KUMAR ACHARYA
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 TAMILNADU POWER LIMITED FOR THE YEAR ENDED 31 MARCH, 2018.

The preparation of financial statements of NLC Tamilnadu Power Limited for year ended 31 March, 2018 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 is 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 25 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NLC Tamilnadu Power Limited for the year ended 31 March, 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place : Chennai
Date : 29 June 2018

Maharaj NR Suresh And Co.
Chartered Accountants
9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai - 600 024
Tel : (044) 24837583, 24801322 Fax : 044 - 24813734 e-mail : mnrssuresh56@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,

The Members of **M/s. NLC Tamil Nadu Power Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. NLC TamilNadu Power Limited**, ("the Company"), which comprises the Balance Sheet as at March, 31 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

We conducted our audit in accordance with the Standards on 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note number 17 of notes to balance sheet - "Regarding balances of Sundry Creditors, Debtors, Loans and advances and deposits which are subject to confirmation and reconciliation.

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 our audit.
   (b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) As per the Notifications No.G.S.R.46(E) dated 05.06.2015, sub-section(2) of Section 164 of the Companies Act. 2013 is not applicable to Government Companies.
   (f) 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"
   (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
      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 audit 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
Maharaj NR Suresh and Co
Chartered Accountants
Firm Regn. No. 001931S

N.R.JAYADEVAN
Membership Number. 023838
Partner

Place : Chennai
Date : 25.05.2018

Maharaj NR Suresh and co
Chartered Accountants
9, (Old 5) II Lane, II Main Road, Trustpuram, Chennai-600 024,
Tel. : (044) 24837583, 24801344 Fax : 044-24813734 e mail: mnrssuresh56@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 M/s.NLC TamilNadu Power Limited ("the Company") as at 31 March, 2018 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 Institute of Chartered Accountants of India ('ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial control 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.

Auditor's 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 prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the institute of Charteret 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 aspects.

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 included obtaining an understanding of internal financial control 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 judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 interent 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 evatuation 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on audit of Internal Financial Controls over financial reporting issued by the institute of Chartered Accountants of India.

For
Maharaj NR Suresh and Co
Chartered Accountants
Firm Regn. No. 001931S

N.R.JAYADEVAN
Membership Number. 023838
Partner

Place : Chennai
Date : 25.05.2018

Maharaj NR Suresh And Co.
Chartered Accountants
9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai - 600 024
Tel : (044) 24837583, 24801322 Fax : 044 - 24813734 e-mail : mnrssuresh56@gmail.com

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED

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

(i) a) The Company is maintaining records showing particulars of assets. In case of certain assets components / quantitative details and situation of fixed assets need to be updated.

b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.

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

(ii) Inventories have been physically verified during the year by the management at reasonable intervals, No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

.(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 Section 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 explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 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 manutacture of electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not however, made a detailed examination of the same.

(vii) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' state insurance, income tax, value Added Tax, Sales Tax. Excise Duty Cess and any other statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31 March 2018 for a period of more than six months from the date they become payable except the following:

Particulars	(Amount in ₹)
Service Tax	94,105
Works Contract Tax	7,80,772

b) According to the information and explanation given to us, there are no dues which have not been deposited by the Company on accaount of disputes in respect of income tax, customs tax, Excise duty. VAT, Work contracts 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 borrowings to financial institution, bank, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company has neither raised money by way of public issue 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) As per the information and explanations given to us, no managerial remuneration has been paid / provided for during the year and hence the question of compliance with provisions of Section 197 read with Schedule V to the Companies Act 2013, does not apply.

(xii) The Company is not a Nidhi Company, therefore paragaraph 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 Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or 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
Maharaj NR Suresh and Co
Chartered Accountants
Firm Regn. No. 001931S

N.R.JAYADEVAN
Membership Number. 023838
Partner

Place : Chennai
Date : 25.05.2018

Maharaj N R Suresh And Co.,
Chartered Accountants
9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai-600 024
Tel:(044) 24837583, 24801322, Fax : 044-24801322 Fax : 044-24813734
e-mail : mnrssuresh56@gmail.com

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

1. Whether the Company has clear title or lease deeds for free hold and lease hold land respectively? If not, please state the area of freehold and lease hold land for which the title or lease deeds are not available?
   The company has paid advances for acquisition of land for construction of ash dyke and the transfer in title deeds and the documentation process are in progress.

2. Whether there are any cases of waiver or right of debts or loans or interests etc., if yes, the reasons thereof and amount involved?
   There were no cases of waiver or right of debts or loans and interests during the year under audit.

3. Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the government or other authorities.
   For Inventories lying with third party - Coal, which is sent to washery under the contract of M/s Sical Logistics limited, the Company maintains adequate records.
   The Company has not received any assets as gift / grant(s) from the government or other authorities.

For
Maharaj NR Suresh and Co
Chartered Accountants
Firm Regn. No. 001931S

N.R.JAYADEVAN
Membership Number. 023838
Partner

Place : Chennai
Date : 25.05.2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in lakh)

Sl. No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	ASSETS				
1	**Non-Current Assets**				
	(a) Property, Plant and Equipment	1	595,797.13	620,448.21	648,447.16
	(b) Intangible Assets	2	11.01	-	-
	(c) Capital Work-in-progress	3	7,475.51	3,074.78	5,852. 26
	(d) Other Non-current Assets	4	14,307.72	6,347.07	3,536.18
2	**Current Assets**				
	(a) Inventories	5	40,051.25	52,275.85	21,428.31
	(b) Financial Assets	6			
	(i) Trade receivables	a	119,187.99	104,514.71	72,696.18
	(ii) Cash and cash equivalents	b	756.97	445.95	228.42
	(iii) Other Bank balances	c	51.81	-	-
	(c) Other Current Assets	7	9,882.73	10,087.05	7,607.50
	TOTAL ASSETS		787,522.12	**797,193.62**	**759,796.01**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	8	218,804.20	218,804.20	196,227.27
	(b) Other Equity	9	2,118.84	(9,880.34)	(17,684.05)
	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial Liabilities	10			
	(i) Borrowings	a	333,005.12	349,593.95	388,446.00
	(b) Provisions	11	671.98	120.08	-
	(c) Deferred Tax Liabilities (Net)	12	3,474.36	(3,740.78)	(9,356.91)
2	**Current liabilities**				
	(a) Financial Liabilities	13			
	(i) Borrowings	a	142,273.37	109,915.44	84,165.21
	(ii) Trade payables	b	21,514.50	57,903.53	20,208.47
	(iii) Other financial liabilities	c	49,277.79	44,441.79	46,251.00
	(b) Other current liabilities	14	16,042.62	30,035.75	51,539.02
	(c) Provisions	15	339.34	-	-
	TOTAL EQUITY AND LIABILITIES		787,522.12	797,193.62	759,796.01

Notes to the financial statements and the Significant Accounting Policies annexed form an integral part of the Balance Sheet

R. JAYASARATHY	W.JEYASINGH DANIEL	RAKESH KUMAR	SARAT KUMAR ACHARYA
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date: 25.05.2018

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

For Maharaj N.R. Suresh and Co.,
Chartered Accountants,
Firm Regn. No. 001931S

N.R.JAYADEVAN
Partner
M. No. 023838

Place : Chennai

Date: 25.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakh)

Sl. No.	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue From Operations	18	281,771.01	253,314.71
II	Other Income	19	8,211.84	7,717.16
III	**TOTAL INCOME (I+II)**		289,982.85	**261,031.87**
IV	**EXPENSES**			
	Cost of materials consumed	20	166,145.36	154,345.07
	Employee benefits expenses	21	7,432.96	4,903.97
	Finance costs	22	41,268.29	45,718.44
	Depreciation and amortization expenses	23	36,186.06	35,987.31*
	Other expenses	24	17,102.38	6,657.24
	TOTAL EXPENSES (IV)		268,135.05	**247,612.03**
V	**Profit / (loss) before tax (I-IV)**		21,847.80	13,419.84
VI	**Tax expense:**			
	(1) Current tax		4,452.35	2,900.00
	(2) Deferred tax		2,762.79	2,716.13*
	TOTAL TAX EXPENSES (VI)		7,215.14	5,616.13
VII	**Profit for the period (V-VI)**		14,632.66	**7,803.71**
VIII	**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		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	Total Comprehensive Income for the period (VII+VIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		14,632.66	7,803.71
X	**Earnings per equity share (for continuing operation)**	25		
	(1) Basic (₹)		0.67	0.38*
	(2) Diluted (₹)		0.67	0.38*

*Restated

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

For and on bahalf of the Board

R. JAYASARATHY	W.JEYASINGH DANIEL	RAKESH KUMAR	SARAT KUMAR ACHARYA
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date : 25.05.2018

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

For Maharaj N.R. Suresh and Co.,
Chartered Accountants,
Firm Regn. No. 001931S

N.R.JAYADEVAN
Partner
M. No. 023838
Place : Chennai

Date: 25.05.2018

Cash Flow Statement for the year ended 31st March, 2018 (₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
(i) Net Profit Before Tax	21,847.80	13,419.84
(ii) Adjustments for :		
Add : Depreciation	36,186.06	35,987.31
Finance Expenses (Considered separately)	41,268.29	45,718.44
Less: Interest Income (Considered separately)	(164.86)	(123.53)
(iii) Operating Profit before Working Capital Changes	99,137.29	95,002.06
(iv) Working Capital Changes in		
Inventory	12,224.60	(30,847.54)
Trade Receivables	(14,673.28)	(31,818.53)
Other-Non-Current Assets	(7,960.65)	(2,810.89)
Other Current Assets	204.32	(2,479.55)
Current Liabilities	(9,156.91)	(23,312.40)
Trade Payables	(36,389.03)	37,695.06
Provisions	891.24	120.08
(v) Cash flow before taxes and extra-ordinary items	44,277.58	41,548.29
(vi) Extra-ordinary items	-	-
Net Cash flow from operations	44,277.58	41548.29
B CASH FLOW FROM INVESTING ACTIVITIES		
(i) Purchase of Plant, Property & Equipment	(11,546.22)	(7,988.44)
(ii) Change in Capital Work-in-Progress	4,400.73	2,777.48
(iii) Interest Income Received	164.86	123.53
Net Cash flow from investing activities	(15,782.09)	**(5,087.43)**
C CASH FLOW FROM FINANCING ACTIVITIES		
(i) Long Term Borrowings (Net)	(16,588.83)	(38,852.05)
(ii) Short Term Borrowings (Net)	32,357.93	25,750.23
(iii) Issue of Equity Shares	-	22,576.93
(iv) Interest Paid	(41,268.29)	(45,718.44)
(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	(28,132.66)	(36,243.33)
Net Cash increase / (decrease) in Cash and Cash Activities	362.83	217.53
Cash and Cash equivalents as at the beginning of the year	445.95	228.42
Cash and Cash equivalents as at the end of the year	808.78	445.95

Note: ( ) indicates cash outflow.

For and on behalf of the Board

R. JAYASARATHY	W.JEYASINGH DANIEL	RAKESH KUMAR	SARAT KUMAR ACHARYA
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai
Date : 25.05.2018

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

For Maharaj N.R. Suresh and Co.,
Chartered Accountants,
Firm Regn. No. 001931S
N. R. JAYADEVAN
Partner
M. No. 023838
Place : Chennai
Date: 25.05.2018

Statement of changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

Name of the Shareholder	As at 01.04.2017		Movement during the year		As at 31.03.2018	
	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)
(i) NLC India Ltd., - 89%	1947357380	194,735.74	-	-	1947357380	194,735.74
(ii) TANGEDCO - 11%	240684620	24,068.46	-	-	240684620	24,068.46
Total	2188042000	218,804.20	-	-	2188042000	218,804.20

Name of the Shareholder	As at 01.04.2016		Movement during the year		As at 31.03.2017	
	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)	No.of Shares	Equilty Share Capital at face value of ₹10.00 each (₹in lakh)
(i) NLC India Ltd., - 89%	1746422727	174,642.27	200934653	20,093.47	1947357380	194,735.74
(ii) TANGEDCO - 11%	215850000	21,585.00	24834620	2,483.46	240684620	24,068.46
Total	1962272727	196,227.27	225769273	22,576.93	2188042000	218,804.20

B. Other Equity

(₹ in lakh)

Particulars	Retained Earnings and Other Reserves	Items of other comprehesive Income (OCI)	Total
As at 01.04.2016*	**(17,684.05)**	-	**(17,684.05)**
Total Compretensive Income for the year		-	
Profit or Loss (31/03/2017)*	7,803.71	-	7,803.71
Other Comprehensive income	-	-	-
Total Comprehensive Income	**7,803.71**	-	**7,803.71**
Divident induding DDT	-	-	-
Appropriations	-	-	-
Any Other Chages (Remeasurement Loss)	-	-	-
Other Changes (Prior period items)	-	-	-
- Interest during Construction	-	-	-
- Depreciation	-	-	-
- Other Overheads	-	-	-
Balance as on 31st March 2017	**(9,880.34)**	-	**(9,880.34)**
Total Compretensive Income for the year		-	
Profit or Loss (31/03/2018)*	14,632.66	-	14,632.66
Other Comprehensive income	-	-	-
Total Comprehensive Income	14,632.66	-	14,632.66
Divident induding DDT	(2,633.47)	-	(2,633.47)
Appropriations	-	-	-
Any Other Chages (Remeasurement Loss)	-	-	-
Other Changes (Prior period items)	-	-	-
Balance as on 31st March 2018	**2,118.84**	-	**2,118.84**

* Restated

For and on behalf of the Board

R. JAYASARATHY	W.JEYASINGH DANIEL	RAKESH KUMAR	SARAT KUMAR ACHARYA
COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	DIRECTOR	CHAIRMAN

Place : Chennai

Date : 25.05.2018

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

For Maharaj N.R. Suresh and Co.,
Chartered Accountants,
Firm Regn. No. 001931S
N.R.JAYADEVAN
Partner
M. No. 023838
Place : Chennai

Date : 25.05.2018

NOTES TO BALANCE SHEET

NON CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

1. Tangible Assets

(₹ in lakh)

Description	Gross Cost				Depreciation				Net Value	
	As at 31st March 2017	Additions/ Transfers	Deletions/ Transfer/ Adjt	As at 31st March 2018	As at 31st March 2017	Withdrawals/Transfers/ Adjt	For the year	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Buildings	3,016.75	3,777.28	-	6,794.03	470.53	-	200.18	670.71	6,123.31	2,546.21
Electrical Installations	428.03	51.09	-	479.12	131.88	-	23.47	155.35	323.77	296.15
Water Supply	66.20	235.81	-	302.02	20.91	-	17.34	38.25	263.77	45.30
Plant & Machinery	680,231.07	7367.10	-	687,598.17	63,205.08	-	35,885.18	99,090.26	588,507.92	617,025.99
Furniture & Equipment	621.98	100.18	-	722.16	147.74	-	45.50	193.24	528.92	474.24
Vehicles	97.44	-	-	97.44	37.12	-	10.87	47.99	49.45	60.32
Assets costing Rs.5000 and below	9.11	2.75	-	11.85	9.11	-	2.75	11.86	-	-
Total	**684,470.58**	**11,534.21**	-	**696,004.79**	**64,022.37**	-	**36,185.29**	**100,207.66**	**595,797.14**	**620,448.21**
Previous year	676,482.15	7,988.43	-	684,470.58	28,035.05	-	35,987.31	64,022.37	620,448.21	-

There is no impairment loss identifified for the assets.

Plant and Machinery figures have been restated due to errors in capitalisation during FY 2015-16 were now rectified.

Further capitalisation of Asset of Unit I to the tune of ₹ 81377.64 lakh (reduction by same amount in Unit-II) decapitalisation of interest during construction and Overheads of ₹1122.25 lakh from Assets of Unit II additional capitalisation of ₹1943.09 lakh with effect from commercial operation declaration dates. Due to the above rectification, the depreciation, Earnings per share, movement in equity and retained earnings have been restated as on 01,04.2016 and 31.03.2017.

2. Intangible Assets

(₹ in lakh)

Description	Gross Cost				Depreciation				Net Value	
	As at 1st April 2017	Additions/ Transfers	Deletions/ Transfer/ Adjt	As at 31st March 2018	As at 1st April 2017	Withdrawals/ Trans fers/ Adjt	For the year	As at 31st March 2018	As at 31st March 2018	As at 1st April 2017
Computer Software	14.11	12.01	-	26.12	14.11	-	1.00	15.11	11.01	-
Total	14.11	12.01	-	26.12	14.11	-	1.00	15.11	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

NON CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

1. Tangible Assets

(₹ in lakh)

Description	Gross Cost				Depreciation				Net Value	
	As at 31st March 2016	Additions/ Transfers	Deletions/ Transfer/ Adjt	As at 31st March 2017	As at 31st March 2016	Withdrawals / Transfers / Adjt	For the year	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Buildings	2,954.33	62.41	-	3,016.74	379.96	-	90.57	470.53	2,546.21	2,574.37
Electrical installations	366.68	61.34	-	428.02	111.33	-	20.55	131.88	296.14	255.35
Water Supply	66.20	-	-	66.20	17.76	-	3.14	20.90	45.30	48.44
Plant & Machinery	672,451.73	7,779.34	-	680,231.07	27,382.70	-	35,822.30	63,205.00	617,025.99	645,069.03
Furniture & Equipment	544.94	77.05	-	621.99	108.24	-	39.50	147.74	474.25	436.70
Vehicles	89.32	8.12	-	97.44	26.05	-	11.07	37.12	60.32	63.27
Assets costing Rs.5000 and below	8.93	0.18	-	9.11	8.93	-	0.18	9.11	-	-
Total	**676,482.13**	**7,988.44**	-	**684,470.57**	**28,034.97**	-	**35,987.31**	**64,022.28**	**620,448.21**	**648,447.16**
Previous Year	4,025.38	673,582.94	1,126.17	676,482.15	496.81	-	27,538.17	28,034.99	648,447.16	7,272.34

There is no impairment loss identififed for the assets.

Plant and Machinery figures have been restated due to errors in capitalisation during FY 2015-16 were now rectifiled.

Further capitalisation of Asset of Unit I to the tune of ₹81377.64 lakh (reduction by same amount in Unit-II) decapitalisation of interest during construction and Overheads of ₹1122.25 lakh from Assets of Unit II, additional capitallsation of ₹1943.09 lakh with effect from commercial operation declaration dates. Due to the above rectification, the depreciation, Earnings per share, movement in equity and retained earnings have been restated as on 01,04.2016 and 31.03.2017.

2. Intangible Assets

(₹ in lakh)

Description	Gross Cost				Depreciation				Net Value	
	As at 31st March 2016	Additions/ Transfers	Deletions/ Transfer/ Adjt	As at 31st March 2017	As at 31st March 2016	Withdrawals / Transfers / Adjt	For the year	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Computer Software	14.11	-	-	14.11	14.11	-	14.11	14.11	-	-
Total	14.11	-	-	14.11	14.11	-	14.11	14.11	-	-
Previous Year	13.18	0.93	-	14.11	13.18	-	0.93	14.11	-	-

There is no impairment loss identified for the assets

NOTES TO BALANCE SHEET

3. Capital Work in Progress - CWIP

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Work in Progress	7,475.51	3,074.78	5,852.26
Total	**7,475.51**	**3,074.78**	**5,852.26**

4. Other Non Current Assets

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured Considered Good:			
Advance for Acquisition of Land*	3,456.66	-	-
Advance for Leasehold Land	3,073.24	3,240.87	3,408.50
Receivable towards Income Tax	425.47	206.20	127.68
MAT Credit Entittlement	7,352.35	2,900.00	-
Total	**14,307.72**	**6,347.07**	**3,536.18**

* In pursuant to the National Mega Lok Adalat Order dated 12.03.2016, an amount of ₹ 3456.66 lakh has been paid to the land owners towards Acquisition of land for construction of Ash dyke and ₹ 51.81 lakh has been deposited in a separate bank account for balance settlement. Land not capitalised for pending documentation.

Current Assets

5. Inventories

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Coal	25,516.12	24,846.48	12,146.77
Coal in transit	10,395.80	25,814.14	8,534.86
Fuel Oil	905.21	551.47	746.68
Stores & Spares	3,234.12	1,063.76	-
Total	**40,051.25**	**52,275.85**	**21,428.31**

6. Financial Assets

a) Trade Receivables

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured-considered good	119,187.99	104,514.71	72,696.18
Total	**119,187.99**	**104,514.71**	**72,696.18**

b) Cash and Cash Equivalents

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(A) With Scheduled Banks in Current Accounts			
Canara Bank, Kilpauk, Chennai	0.33	0.33	0.33
Bank of India, Tuticorin	2.10	1.00	1.00
Bank of India, Tuticorin - E-Freight	338.03	370.49	142.11
Bank of Baroda, Tuticorin	2.37	2.41	2.20
State Bank of India, Tuticorin	233.43	71.70	82.76
State Bank of India, Tuticorin - E-Freight	180.69	-	-
	756.95	**445.93**	**228.40**
(B) Others			
Stamps on hand	0.02	0.02	0.02
Total	**756.97**	**445.95**	**228.42**

NOTES TO BALANCE SHEET

c) Other Bank Balances

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
State Bank of India, Tuticorin - Land for ash dyke	51.81	-	-
Total	51.81	-	-

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

7.Other Current Assets

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured considered good			
Advances recoverable in cash or in kind or for value to be received	736.86	1,577.51	528.39
Advance for Capital Goods	1,025.72	1,678.08	480.35
Prepaid expenses	197.84	269.75	44.85
Advance for Leasehold Land	167.63	167.63	167.63
Advance for purchase of Coal	6,964.41	5,675.95	4,591.35
Advance for purchase of Fuel Oil	533.99	664.17	686.54
Advance for Rail Freight	-	53.96	-
Others	256.28	-	1,108.39
Total	9,882.73	10,087.05	7,607.50

Equity and Liabilities

8.Equity Share Capital

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised, Issued, Subscribed and Paid up Share Capital			
(a) Authorised			
250,00,00,000 Equity Share of ₹10/- each	250,000.00	250,000.00	250,000.00
(b) Issued, Subscribed and Paid up			
218,80,42,000 Equity Share of ₹10/- each fully paid up	218,804.20	218,804.20	196,227.27

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 2017-18			
(i) NLC India Ltd., - 89%	1947357380	1746422727	1508016000
(ii) TANGEDCO - 11%	240684620	215850000	186384000
Total	2188042000	1962272727	1694400000
(b) Number of Shares Allotted during of 2017-18			
(i) NLC India Ltd.,	-	200934653	238406727
(ii) TANGEDCO	-	24834620	29466000
Total	-	225769273	267872727
(c) Number of Shares at the end of 2017-18			
(i) NLC India Ltd., - 89%	1947357380	1947357380	1746422727
(ii) TANGEDCO - 11%	240684620	240684620	215850000
Total	**2188042000**	**2188042000**	**1962272727**

NOTES TO BALANCE SHEET

9. Other Equity

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Retained Earnings:			
As at the beginning of the year*	(9880.35)	(17684.05)	(4.12)
Profit for the year	14632.66	7803.71	(17679.93)
Appropriations:			
Interim Dividend	(2188.04)		
Tax on Interim Dividend	(445.43)		
As at the end of the year	**2118.84**	**(9880.34)**	**(17684.05)**

* Restated Amount

Non Current Liabilities

10. Financial Liabilities

a) Borrowings

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured			
Term Loans from Banks:-			
(i) Power Finance Corporation Ltd.,			
- Rupee Term Loan - I	77,224.79	89,105.53	100,986.00
- Rupee Term Loan - II	227,927.37	260,488.42	-
(ii) Bank of India	27,852.97	-	-
(iii) Bank of Baroda Consortium of Banks	-	-	212,500.00
(iii) Bank of India Consortium of Banks	-	-	74,960.00
Total	**333,005.12**	**349,593.95**	**388,446,00**

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 installments from January, 2016 and the rate of interest on the loan is 8.73%.

(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 8.85%.

(iii) Bank of India - Rupee Term Loan - Sanctioned ₹483.52 crore - Repayable in Twenty(20) equal half yearly installments from September, 2018 and the rate of interest on the loan is 8.28%.

11. Provisions

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee leave benefits	6.15	44.02	-
Provision for Gratuity	665.83	76.06	-
Total	**671.98**	**120.08**	-

12. Deferred Tax Liability (Net)

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liability			
- relating to temporary difference in depreciation	90,579.47	83,143.18	71,943.94
Deferred Tax Asset			
- relating to Income Tax Loss & other Allowances	87,105.11	86,883.96	81,300.85
Total	3,474.36	(3740.78)	(9356.91)

NOTES TO BALANCE SHEET

Current Liabilities

13. Financial Liabilities

a) Borrowings

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured:			
Loans repayable on demand from Banks:			
Working capital Loan with Bank of India	67,273.37	57,915.44	52,165.21
Unsecured : (From Related parties)			
Short term loan from NLC India Ltd.,-Unsecured			
- Loan I	15,000.00	18,000.00	32,000.00
- Loan II	50,000.00	34,000.00	-
- Loan III	10,000.00	-	-
Total	142,273.37	**109,915.44**	**84,165.21**

(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 8.20%.

(ii) NLC India Ltd., - short term loan - sanctioned ₹500 crore - towards meeting the working capital requirements and Repayable within 365 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,II & III- cumulative sanction ₹1000 crore - towards meeting the cash flow requirements and repayable within 180 days from the date of drawl. The rate of interest on the loan is 8.20%.

b) Trade Payable

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Sundry Creditors	21,514.50	57,903.53	20,208.47
Total	21,514.50	**57,903.53**	**20,208.47**

The average credit period on goods and services is 45 days from the date of invoice.

c) Other Financial Liabilities

(₹ in lakh)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current maturities of Long term Loan:-				
Power Finance Corporation Ltd.,		-	-	-
	- Rupee Term Loan - I	11,880.74	11,880.74	11,881.00
	- Rupee Term Loan - II	32,561.05	32,561.05	-
Bank of India	- Rupee Term Loan	4,836.00	-	-
Bank of Baroda Consortium	- Rupee Term Loan	-	-	25,000.00
Bank of India Consortium	- Rupee Term Loan	-	-	9,370.00
Total		49,277.79	**44,441.79**	46,251.00

NOTES TO BALANCE SHEET

14. Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payable on Purchase of Fixed Assets	8,623.48	23,188.81	44,088.35
Advance for sale of fly ash	193.28	129.22	84.60
Amount withheld from contractors	4,538.86	3,956.14	3,904.93
Income Tax Payable	903.35	-	-
Other liabilities			
Employees	245.57	303.40	54.69
Statutory	1,108.94	302.08	337.35
Others	429.14	2,156.10	3,069.10
Total	16,042.62	30,035.75	51,539.02

15. Provisions

(₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee leave benefits	100.90	-	-
Other Provisions	238.44	-	-
Total	339.34	-	-

16. Contingencies and Commitments

(₹ in lakh)

Particulars	As at 31st March 2017	Additions	Deletions	As at 31st March 2018
A. Contingencies				
1. Claims against Company not acknowledged as Debt:	NQ			NQ
(i) From Employees Others				
(ii) From Statutory Authorities / Central Govt. / Govt.Departments				
- Income Tax Appeals before CIT (Appeals) for Assessment Year 2013-14	108.06	-	108.06	-
- Income Tax Appeals before CIT (Appeals) for Assessment Year 2014-15	243.64	-	243.64	-
- 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
- Summon were issued by DG of Goods and Service Tax intelligence Madurai Regional unit to provide the details of imported coal procured duing the period 23rd April to 30thJune, 2017 on the applicability of service tax on ocean freight for imported coal.				NQ
(iii) From Others				
- Arbitration Claim	1,642.00	18,989.17		20,631.17
- MSME Facilation Council	-	14.51	-	14.51
- VO Chidambaranar port Trust - Interest on License Fee and shortfall in Minimum Guarantee Throughput on coal handling at North Cargo Berth-I	7,045.13	-	7045.13	-
- Power Grid Corporation of India Ltd., - Transmission charges for injection of infirm power	-	186.17	-	186.17
(iv) Letter of Credit as Security Deposit	4,531.69	-	4,280.69	251.00
B. Commitments				
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for	42,321.00		18,306.46	24014.54

17. Sundry Creditors Debtors, Loans and Advances and Deposits are subject to confirmation and reconcilation. 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 doesnot expect any material changes.

NOTES TO STATEMENT OF PROFIT AND LOSS

18. Revenue from Operations

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Power Sales	279478.69	251068.83
Other Operating Revenue		
- Sale of Fly Ash	2059.54	2025.48
- Sale of DM Water	232.78	220.40
	281771.01	**253314.71**
Less : Transferred to Capital Work in Progress	0.00	0.00
Total	281771.01	**253314.71**

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 Regulation 2014-19 from the date of Commercial Operation Declaration (COD) of Unit-I and II to 31.03.2019.

b. Central Electricty Regulatory Commission (CERC) has issued final tariff order 11.07.2017 for the station. The difference of interim and final order billed and accounted during the year. Previous year arrears pertaining to earlier period amounts to ₹13258.00 lakh.

19. Other Income

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Coal Handling Charges	198.02	-
Interest from Employees and Others	164.86	123.53
Surcharge from Beneficiaries	7778.44	6485.04
Rent Recovered	3.90	3.77
Liquidated Damages Recovered	127.73	29.62
Foreign Exchange Fluctutation	0.00	1109.97
Others	38.84	15.27
	8311.79	7767.20
Less : Transferred to Capital Work in Progress		
- Interest from Employees and Others	50.26	50.04
- Liquidated Damages Recovered	49.69	0.00
Total	8211.84	7717.16

Foreign Exchange fluctuation arises on account of restatement of foreign currency liability against the imported Coal Supply during Financial Year 2016-17 accounted and the same is reversed on the actual settement of liability as per Ind AS 21.

Expenses

20. Cost of Materials Consumed

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Coal Consumption	165111.77	153177.82
Oil Consumption	1033.59	1345.42
	166145.36	**154523.24**
Less : Transferred to Capital Work in Progress Accounts	-	178.17
Total	166145.36	**154345.07**

NOTES TO STATEMENT OF PROFIT AND LOSS

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
OPENING STOCK		
Raw Material		
Coal	24846.49	12146.77
Oil	551.47	746.68
	25397.96	**12893.45**
Add : PURCHASES		
Raw Material		
Coal	165781.40	165877.54
Oil	1387.33	1150.21
	167168.73	**167027.75**
Less : CLOSING STOCK		
Raw Material		
Coal	25516.12	24846.48
Oil	905.21	551.47
	26421.33	**25397.95**
Less : Transfer to Capital Expenditure Accounts		
Coal	0.00	0.00
Oil	0.00	178.17
	0.00	**178.17**
Cost of Material consumed		
Coal	165111.76	153177.82
Oil	1033.59	1167.25
	166145.36	**154345.07**

21. Employee Banefits Expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, Wages and incentives	5667.65	3877.67
Contribution to Provident and Other Funds	830.98	662.44
Gratuity	589.77	62.59
Welfare Expenses	344.56	301.27
Total	**7432.96**	**4903.97**

Salaries,Wages and incentives of Exployees are revised as per the guidelines of 3rd Pay Revision with effect from 01.01.2017.

22. Finance Costs

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expenses		
- Term Loan from Power Finance Corporation	31256.25	28425.91
- Term Loan from Bank of India	721.48	8798.34
- Term Loan from NLC India Ltd.,	4667.65	3790.09
- Working Capital Loan from Bank of India	4622.91	4704.10
Total	**41268.29**	**45718.44**

NOTES TO STATEMENT OF PROFIT AND LOSS

23. Depreciation and Amortisation Expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation and Amortisation Expenses *	36186.06	35987.31
Total	**36186.06**	**35987.31**

* Restated

24. Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of Stores and Spares	2,858.80	1,374.89
Transit and Handling loss	1,607.35	51.57
Demurrage Charges	1,103.24	-
Compensation for non lifting of coal	1,258.03	-
Amortisation of Leasehold Land	167.63	167.63
License fee, Rates and taxes	58.17	435.12
Repairs and Maintenance		
- Plant and Machinery	2,346.13	1,742.80
- Others	4,665.69	1,535.04
Insurance	427.46	421.47
Electricity Charges	40.63	41.65
Water Charges	180.51	35.23
Payments to Auditors		
- Audit Fees	2.07	2.01
- Reimbursement of out of pocket expenses	1.10	0.51
Director Sitting Fees	0.20	-
Professional charges	33.14	11.33
Travelling expenses	231.19	183.70
Advertisement	52.21	48.69
Legal Expenses	72.28	41.91
Training expenses	10.42	2.98
Service charge on e-auction	38.60	61.03
Security & Central Industrial Security Force expenses	581.17	340.58
Foreign Exchage Fluctuation	1,108.88	-
Bank Charges (includes Upfront fee, Commission)	3.65	1.44
Corporate Social Responsibility expenses	143.76	46.93
Miscellaneous expenses	80.09	171.06
	17,072.41	**6,717.59**
Less: Transferred to Capital Work in Progress Accounts	(29.97)	60.35
Total	**17,102.38**	**6,657.24**

25. Earnings per Share

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit after Tax (₹ in Lakhs)	14,632.66	7,803.71
Number of Shares as at 31st March 2018	2188042000	2188042000
Weighted Average Number of Shares	2188042000	2042526978
Face Value of Shares (₹)	10.00	10.00
Earnings per Share - Basic and Diluted* (as per no. of shares as on 31st March 2018)	0.67	0.38*
Earnings per Share - Basic and Diluted* (as per weighted average no. of shares) ₹	0.67	0.38*

The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.

*Restated

ADDITIONAL DISCLOSURES

26. Expenditure in Foreign Currency

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Coal purchased through import	32,200.01	23694.13
Travelling Expenses	5.81	-

27. Disclosure as per Ind As 37 'Provisions, Contingent Liabilities and Contingent Assets

Movement in Provisions

(₹ in lakh)

Particulars	As at 31.03.2017	Additions	Withdrawals	As at 31.03.2018
Employee Leave Benefits	44.02	63.03	-	107.05
Gratuitiy	76.06	589.77	-	665.83
Other Provisions	-	238.44	-	238.44
	120.08	**891.24**	-	1,011.32

(₹ in lakh)

Particulars	As at 31.03.2016	Additions	Withdrawals	As at 31.03.2017
Employee Leave Benefits	103.36	-	59.34	44.02
Gratuitiy	-	76.06	-	76.06
Other Provisions	-	-	-	-
	103.36	**76.06**	**59.34**	**120.08**

28. CSR Expenditure

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Education facilities	62.32	46.93
Afforestation and environment sustainability	81.44	-
Total	143.76	**46.93**

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

a) List of related parties

i) Key Managerial Personnel (KMP):

Dr. Sarat Kumar Acharya	Chairman
Shri Rakesh Kumar Shri V.Thangapandian Shri P. Selvakumar Shri Mukesh Choudhary Ms. S.Geetha Ms. Nalini Padmanabhan	Directors
Shri M.Prabhagar	Chief Executive Officer
Shri V.N.Babu	Chief Financial Officer (upto 08.10.2017)
Shri W.Jeyasingh Daniel	Chief Financial Officer (from 09.10.2017)
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 Tamilnadu 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 goverment related entities and have made disclosures accordingly in the financial statements.

b) Transaction with the related parties are as follows:

i) Key Managerial Personnel

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Short term Employee Benefits	76.54	70.76
Post employment Benefits	6.16	5.58
Other Long term Benefits	9.62	8.89

ii) Transaction with Promoters

(₹ in lakh)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(i) NLC India Limited - Significant influence		
a) Unsecured Term Loan		
- Loans Drawn	110,000.00	52,000.00
- Loand repaid	87,000.00	32,000.00
- Interest on Loans	4,667.65	3,790.09

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 ₹65,000.00 lakh and Non-Fund based Limit of ₹20,000 lakh availed by the Company.

c) The proportionate Employees Salary of NLC India Ltd.,for ₹1215.21 lakh has been recognised in profit and loss account 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 ₹637.15 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.

(ii) Tamilnadu Generation and Distribution Corporation Limited

a) An amount of ₹233.66 lakh has been recognised in profit and loss account towards handling of coal by Tuticorin Thermal Power Station / TANGEDCO at Company's premises by using the Assets of the Company.

b) An amount of ₹151.63 lakh has been recognised in profit and loss account towards sale of Demineralised Water to Tuticorin Thermal Power Station / TANGEDCO.

iii) Transactions with related parties under the control of same government

(₹ in lakh)

Name of Company	Name of Transaction	For the year ended 31st March 2018	For the year ended 31st March 2017
Bharat Heavy Electricals Ltd.,	Package Contract	12,963.14	13,630.13
Bharat Heavy Electricals Ltd.,	Purchase of Materials	2,613.67	2,402.51
Steel Authority of India Ltd.,	Purchase of Materials	39.33	-
Indian Oil Corporation Ltd.,	Purchase of Lubricants and Oil	480.99	683.16
Hindustan Petroleum Corporation Ltd.,	Purchase of Lubricants and Oil	654.68	396.81
Bharat Petroleum Corporation Ltd.,	Purchase of Lubricants and Oil	52.46	180.18
Mecon Ltd.,	Project Consultancy Contract	0.81	6.73
VO Chidambaranar Port Trust	Quarters allotted on Rent, North Cargo Berth concession agreement	1,463.35	860.55
Power Finance Corporation Ltd.,	Rupee term Loan	75,782.14	49,552.35
MSTC Ltd.,	Purchase of Coal	-	2,131.40
MSTC Ltd.,	E-Tendering Services	60.25	61.03
Mahanadhi Coal fields Ltd.,	Purchase of Coal	37,286.62	29,860.88
Eastern Coal fields Ltd.,	Purchase of Coal	47,529.25	-
Central Institute of Mininig and Fuel Research	Sampling and Analysis of Coal	88.50	-

c) Outstanding balance with related parties are as follows: (₹ in lakh)

Key Managerial Personnel	Transaction Value for the year ended 31st March	Balance Outstanding as at 31st March
Mr. M.Prabhagar-Chief Executive Officer	-	-
Mr. W.Jeyasingh Daniel - Chief Financial Officer		
- Festival Advance	0.28	0.12
Mr.V.N.Babu - Festival Advance	0.28	0.12
Mr.R.Jayasarathy - Company Secretary		
- Car advance	1.20	1.40
- Multi purpose loan	1.00	0.67

d) Terms and Condition of transsactions 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 2018 and 31st March 2017, the 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.

30 Financial Instruments - Fair Value Disclosures

The management considers 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, 2018	**Carrying Amount**			
Description	**Amortised Cost**	**Fair value through profit and loss**	**Fair value through OCI**	**Net**
A. Financial Assets				
Investments	-	-	-	-
Loans and Advances	9,882.73	-	-	9,882.73
Trade Receivables	119,187.99	-	-	119,187.99
Cash and cash equivalents	756.97	-	-	756.97
Other Bank balance	-	-	-	-
Other Financial assets	14,307.72	-	-	14,307.72
B. Financial Liabilites				
Borrowings	475,278.49	-	-	475,278.49
Trade payables	21,514.50	-	-	21,514.50
Other Financial liabilites	16,042.62	-	-	16,042.62

31. Disclosure as per Ind AS 17 '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.

32. Financial Instruments

Capital management

The Company's policy is to manintain 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.

(₹ in lakh)

Gearing Ratio		
	March -18	March -17
Debt	333,005.12	349,593.95
Less: Cash and Bank Balance	756.97	445.95
Net Debt	332,248.15	349,148.00
Total Equity	220,923.04	208,923.86
Net debt to Total Equity ratio	1.50	1.67

33. Financial Risk Managment

The treasury function provides services to business co-ordinates 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 includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilites 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 operation. 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 bank and financial institutions.

Trade Receivables

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and UnionTerritory. 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 its customers base, including the default risk of the industry.

At March 31, 2018, the Company's most significant customer, TamilNadu Generation and Distribution Corporation Ltd., (TANGEDCO) accounted for ₹53327.45 lakh (₹49026.11 lakh of the Trade Receivables as at March 31, 2017) of the trade receivables carrying amount.

Loans and Advances

The Company has given Loans and Advances to its employess. 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 messured using 12 month expected credit losses

The Company has assets where counter party has sufficient capacity to meet the obligalions 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 the unimpaired amount that are past due by more than 30 days are still collectible in full based on historical payment bahaviour. 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 2018	31st March 2017
Thermal Debtors		
- 0-30 days past due	47,297.77	46,902.76
- 31-60 days past due	20,794.43	21,446.70
- 61-90 days past due	19,135.10	12,770.32
- 91-120 days past due	14,395.98	15,010.75
- More than 120 days past due	15,863.05	8,186.21
Total	**117,486.33**	**104,316.75**

Liquidity Risk

Liquidity is the risk that the Company will encounter diffculty in meeting obigation 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 suffcient to meet its liablity when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Company's reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowings facilities by continuously monitoring forecast 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 at the end of the reporting period.

(₹ in lakh)

Particulars	31st March 2018	31st March 2017
Floating Rate Borrowings		
Expiring within one year		
Bank of India	15,662.63	-
Working Capital Loan (BOI)	23,044.24	21,618.41
Total	**38,706.88**	**21,618.41**

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayment) of non-derivatives financal liabilities based on contractual cash flows.

(₹ in lakh)

31st March 2018	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	23,761.48	35,642.22	29,708.48	100,992.92
- Rupee Term Loan-II	16,280.52	16,280.52	65,122.08	97,682.82	97,674.35	293,040.29
Bank of India	-	4,836.00	4,836.00	14,508.00	8,508.97	32,688.97
Total	**16,280.52**	**32,997.26**	**93,719.56**	**147,833.04**	**135,891.80**	**426,722.18**

(₹ in lakh)

31st March 2017	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	23,761.48	35,642.22	41,589.22	112,873.66
- Rupee Term Loan-II	16,280.52	16,280.52	65,122.08	97,682.82	130,235.29	325,601.23
Bank of India	-	-	-	-	-	-
Total	**16,280.52**	**28,161.26**	**88,883.56**	**133,325.04**	**171,824.51**	**438,474.89**

Maturities of financial liabilities

The following are the contractual maturities (interest) of non-derivaties financial liabilities based on contractual cash flows.

(₹ in lakh)

31st March 2018	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	1,918.09	5,364.96	6,282.80	12,578.39	3,354.52	29,498.76
- Rupee Term Loan-II	5,384.35	15,564.88	18,178.10	37,102.28	11,183.20	87,412.81
Bank of India	667.39	1,925.97	2,206.13	4,905.03	798.52	10,503.04
Total	**7,969.83**	**22,855.81**	**26,667.03**	**54,585.70**	**15,336.24**	**127,414.61**

(₹ in lakh)

31st March 2017	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	2,371.38	6,143.56	7,304.36	15,705.59	6,510.13	38,035.02
- Rupee Term Loan-II	5,802.75	16,920.08	21,012.38	45,794.61	20,668.98	110,198.81
Bank of India	-	-	-	-	-	-
Total	**8,174.13**	**23,063.64**	**28,316.75**	**61,500.20**	**27,179.11**	**148,233.83**

Market Risk

Market Risk is the risk that change in the market prices, such as foreign exchange, interest rates and equity prises 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 2018	31st March 2017
Financial Liabilities		
Variable-rate Instruments		
Rupee term Loans		
- From banks	27,852.97	-
- From Power finance Corporation (PFC)	305,152.16	349,593.95
-Working Capital loan	67,273.37	57,915.44
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 performed on the same basis for the previous year

(₹ in lakh)

31st March 2018	Profit or loss	
	50 bp increase	50 bp decrease
Rupee Term Loans		
- From Banks	(39.87)	39.87
- From Power Finance Corporation (PFC)	(1,829.60)	1,829.60
Total	**(1,869.47)**	**1,869.47**

(₹ in lakh)

31st March 2017	Profit or loss	
	50 bp increase	50 bp decrease
Rupee Term Loans		
- From Banks	(455.29)	455.29
- From Power Finance Corporation (PFC)	(1,575.04)	1,575.04
Total	**(2,030.33)**	**2,030.33**

34. 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 reportabls segment derives revenues
Power Generation	Generation of Power and Sale to Power Utilities.

The Board of the Directors monitors the operating results of the business units separately for the purpose of decision making 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.

Name of Customers	As at 31st March 2018		As at 31st March 2017	
	Revenue (₹ in lakh)	Percentage of Total Revenue	Revenue (₹ in lakh)	Percentage of Total Revenue
Tamilnadu Generation and Distribution CorporationLtd.,	113,141.87	40.55	99,672.76	39.52
Bangalore Electricity Supply Company Ltd.,	30,903.34	11.08	28,624.95	11.35

35. Capital Employed (₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital employed shall comprise of Net Worth, Long -Term Borrowings excluding Capital Work in Progress and investment made.	553,928.16	558,517.81

36. Income Tax expense Reconciliation (₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Profit before tax from the continuing Operations	21,847.80	13,419.84
Income tax expense calculated at 34.608% (2016-17-34.608%)	7,561.09	4,644.34
Effect of income exempted from tax	-	-
Effect of expenses that as not deductible in determining taxable profit	57.33	23.04
Effect of unused tax losses and tax offsets not recognises as deferred tax assets	-	-
Effect of deferred tax balance due to the change in income tax rate	-	-
	7,618.42	4,667.38
Adjustment recognised in current year in relation to the current tax of prior years	-	-
Income tax expense recognised in profit and loss (relating to continuing operations)*	7,215.14	5,616.13
Current Tax	4,452.35	2,900.00

*The Company is paying tax @ 20.38% under Minimum Alternate Tax.

37. OperatingLease (₹ in lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Up to 1 Year	167.53	167.63
1 Year to 5 Years	838.15	838.15
More than 5 Years	2,235.09	2,402.72
Total	3,240.87	3,408.50

38. Previous year figures re-grouped / re-classified wherever found necessary to correspond with current year's classfication / disclosure.

Significant Accounting Policy

1. Property, plant and equipment

1.1 Initial recognition and measurement

Items of property, plant and equipment are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses.

Cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour and any other costs directly attributable to bringing the item to working condition necessary for it to be capable of operating in the manner intended by management.

Cost of an acquired item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of bringing the item to working condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having varying useful lives are accounted for as separate component of property, plant and equipment, if considered significant. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part. Assets costing less than ₹ 5,000 are not capitalised and are charged to statement of profit and loss in the year of purchase.

Thermal 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 commissioning of the units. Depreciation charge commences from the date of commercial commissioning. 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.

1.2 Machinery spares

Initial spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset. Items of spare parts, stand-by equipment and servicing equipment purchased subsequent to commissioning of the asset which meet the definition of property, plant and equipment set out in Ind AS-16 Property, Plant and Equipment and costing more than ₹ 0.50 crore are capitalised. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

1.3 Land

Land purchased / acquired by the company are in accordance with and subject to the provisions of the Land Acquisition Act, 1894 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 capitalized 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.

1.4 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.

1.5 Decommissioning costs

Cost of an item of property, plant and equipment includes estimated costs of dismantling and removing the item and restoring the site on which it is located. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met and considered material.

1.6 De-recognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

1.7 Depreciation / Amortisation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term, useful lives of the asset and useful lives of the related asset unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

Sl. No.	Description of assets covered	Basis
1.	(a) Assets of thermal power stations, excluding vehicles other than ash tippers.	As per the rates prescribed by CERC pursuant to provisions of Electricity Act,2003 for thermal power stations in accordance with Schedule-II of the Companies Act,2013.
2.	Buildings (a) Residential Buildings	At higher of technically assessed rates/life or useful life prescribed in Schedule-II to the Companies Act,2013.
	(b) Non-residential buildings	At higher of technically assessed rates/life or useful life prescribed in Schedule-II to the Companies Act,2013.
3.	Plant and machinery CME other than dozers and pipe layers, Workshop machinery, pumps GWC and SWC pipes and civil construction machinery.	At higher of technically assessed rates/life or useful life prescribed in Schedule-II to the Companies Act,2013.
4.	Other Assets	At useful life prescribed in Schedule-II to the Companies Act,2013.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Major overhaul and inspection costs are capitalised and depreciated over the period until the next scheduled outage or actual major inspection / overhaul, whichever is earlier.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

1.8 Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

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 on the cost of related assets.

2. Intangible assets and intangible assets under development

2.1 Initial recognition and measurement

Intangible assets that are acquired / developed by the Company, which have definite useful lives, are recognised at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Expenditure incurred which are eligible for capitalisation under intangible assets are carried as intangible assets under development till they are ready for their intended use.

Research and Development

Research costs are expensed, as and when incurred, in the statement of profit and loss.

Development costs, if reliably measurable, on an individual project are recognised as an intangible asset, when the requirements as specified under Ind AS 38 Intangible assets 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 less accumulated amortisation and any accumulated impairment losses.

2.2 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.

2.3 De-recognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

2.4 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as determined:

Asset	Management estimate of useful life
Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset.
Software costing more than ₹10 lakh	Over the estimated useful life i.e.5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and are adjusted if appropriate.

3. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable 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.

Items of spare parts, stand-by equipment and servicing equipment purchased subsequent to commissioning of the asset which do not meet the criteria of Property Plant and Equipment are carried as inventories. These are recognised in the statement of profit and loss on consumption.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on technical review and provided for.

The following are the items and their basis of measurement –

Inventory	Basis
Coal	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition 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

4. Prepaid Expenses

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

5. Financial instruments

5.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

5.2 Financial assets

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

I Amortised Cost;

- Fair Value Through Other Comprehensive Income ('FVOCI'); or
- Fair Value Through Profit or Loss ('FVTPL').

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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 on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solelypayments of principal and interest on the principal amount outstanding.

  All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.3 Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management.

5.4 Subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income,are recognised in statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest rate method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss.Other net gains and losses are recognised in OCI.On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

5.5 Financial liabilities: Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

6.De-recognition

6.1 Financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

6.2 Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.In this case, a new financial liability based on the modified terms is recognised at fair value.The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

6.3 Impairment

The Company recognises loss allowances for expected credit losses on i) financial assets measured at amortised cost and ii) financial assets measured at FVOCI – debt securities. The expected credit losses are measured and provided at an amount equal to a) 12 month expected losses and b) lifetime expected losses. The Company measures loss allowances at an amount equal to lifetime expected losses except for the following, which are measured at 12 month expected credit losses.

- Debt securities that are expected to have low credit risk at the reporting date, and
- Other debt securities and other bank balances for which credit risk has not been increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime expected credit losses.

6.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

6.5 Impairment of 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 considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or 'CGU').

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.6 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 as stated in note (vi) or (v) above

6.7 Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow etc. to be added to the capital cost of the project 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.

7. Employee benefits

All employees of the Company are on secondment from NLC India Limited (Parent Company) and the contract of the service of the employees continues with the Parent Company. Accordingly, post-employment benefits and terminantion benefits are accounted on the basis of the valuation from the parent Company and payments for the post-employment benefits are made to the Trust constituted by the Parent Company.

8. Material prior period errors and Effect of changes in accounting estimates and accounting policies

Prior period errors of material nature are corrected retrospectively by restating the comparative amounts for the prior periods 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 changes in accounting estimates are recognised prospectively in the statement of profit and loss.The effect of changes in accounting policies are recognised retrospectively by restating the comparative amounts for the prior periods presented to which the change in accounting policy relates. If the impact of such change pertains to periods prior to the earliest period presented, the opening balances of assets liabilities and equity for the earliest period presented are restated.

9. Events occurring after the Balance Sheet date

Assets and liabilities are adjusted for events of material nature occurring after the reporting period that provide additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

10. Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement and the amount of revenue can be measured reliably.

Revenue arises from i) sale of power generated by thermal power stations, ii) sale of un-requisitioned surplus power.

10.1 Revenue from sale of power generated by thermal power stations

Revenue from sale of power is mostly to beneficiaries and Tariff for which are regulated and governed by the applicable CERC Tariff Regulations under Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time.

Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

The incentives/disincentives to beneficiaries are accounted for based on the norms notified/ approved by the CERC as per principles enunciated in Ind AS 18.

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

10.2 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.

10.3 Surcharge

The interest/surcharge on late payment/overdue sundry debtors is recognised based on agreement with beneficiaries.

11. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates existing on the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items at the reporting date are recognised in statement of profit and loss in the year in which it arises.

Non-monetary items denominated in foreign currencies and carried at historical cost are translated using the exchange rate at the date of the transaction.

12. Income tax

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

12.1 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.

13. 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 or 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;

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 Income taxes are met.

14. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of qualifying assets are capitalised until the assets are substantially ready for their intended use. Qualifying assets are those that take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset the said borrowing costs incurred are capitalised. 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 the acquisition, construction, development or erection of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowing spending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

15. Leases

Assets held under leases

Finance Lease

Leases of property, plant and equipment that transfer to the Company substantially all 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 similar owned assets.

Operating Lease

Asset held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are generally recognised in statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

16. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are based on judgment of management / independent experts and are not recognised in the financial statements but disclosed in the notes to financial statements.These are reviewed at end of the reporting period and are adjusted as appropriate.

17.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.

18.Earnings per share

Earnings per share ('EPS') information is provided for the equity shares issued. Basic EPS is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Basic and diluted EPS are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

19.Regulatory deferral account balances

Tariffs for the sale of power are approved by the CERC constituted under the Electricity Act, 2003. In cases where the rates are not yet approved, the Company recognises revenue based on provisional tariff rates.The Company determines surplus/deficit for the year in respect of its regulated operations based on the principles laid down under the Tariff Regulations and on the basis of Tariff Orders issued. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by regulators/management under the Regulations/ Guidelines are made.

Such right to recover/obligations to make payment are recognised as 'Regulatory deferral account balances' (i.e. consisting of regulatory deferral debit balances and regulatory deferral credit balances). Relevant income / expenses are recognised in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations/other Guidelines.

Regulatory deferral account balances are reviewed at each balance sheet date to ensure that 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 these criteria are not met, the regulatory deferral account balances are derecognised.

20.Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed under Ind AS 7 Statement of Cash Flows.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

21.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.

22.Dividends

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.

Dividends declared by the Company after the reporting period are not recognised as liability at the end of the reporting period.

23.Operating segments

In accordance with Ind AS 108 Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products/services.

24.Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores (upto two decimels),unless otherwise indicated.

25.Basis of measurement

The financial statements have been prepared on the historical cost basis except otherwise stated

26.Use of estimates and management judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under.

27.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.

28.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 techiques 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 assets 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 asset or a liability, the company uses observable market data as far as posible. 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 categorised 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 wich the change has occurred.

29.Current and non-current classification

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

An asset in 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 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within 12 months after the reporting period; or
- No unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

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NTPL

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