



IL&FS TAMIL NADU POWER COMPANY LIMITED

Annual Report 2020-21

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IL&FS Tamil Nadu Power Company Limited*Corporate Identity Number: U72200TN2006PLC060330*

Registered Office: 4th Floor, KPR Tower, Old No. 21, New No. 2,
1st Street, Subba Rao Avenue, College Road, Chennai 600 006,
Tamil Nadu

Tel: 04461725550; Fax: 04461725551;

Email: info@itpclindia.com; Website: www.itpclindia.com

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of IL&FS Tamil Nadu Power Company Limited (the "Company") is scheduled to be held on **Thursday, the 30th day of December, 2021, at 11 A.M.** through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements for the year ended March 31, 2021 together with the Report of the Board of Directors and the Auditors thereon;
 - (b) the Audited Consolidated Financial Statements for the year ended March 31, 2021 together with the Report of the Auditors thereon.
2. To appoint **Mr. Neerav Yashwant Kapasi (DIN : 03500964)** who retires by rotation as a Director at this meeting and to consider and if thought fit, to pass with or without modifications(s) the following resolution as an Ordinary resolution.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act 2013, if any, **Mr. Neerav Yashwant Kapasi (DIN:03500964)**, who retires by rotation at this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation".

SPECIAL BUSINESS

3. To consider and if thought fit, to pass the following resolution as a Special resolution:

To appoint Mr. Sanjeev Seth (**DIN 07945707**), as a Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160, 161, 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Mr. Sanjeev Seth (DIN 07945707), who has been appointed as an Additional Director of the Company under Section 161 of Companies Act, 2013 & subsequently Managing Director by Board of Directors for a period of five years effective from January 25, 2021 subject to regularization by the shareholders as Managing Director at the Annual General Meeting and in respect of whom the Company has received a notice in writing by a member proposing his candidature for the office of Director, and the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Managing Director of the Company for a period of 5 (five) years effective from January 25, 2021 till January 24, 2026 on such terms and conditions as set out in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to due recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, from time to time, approval & consent of the Members of the Company be and is hereby accorded to the Board of Directors for payment of remuneration to Mr. Sanjeev Seth (DIN 07945707), Managing Director of the Company for a period of 5 (five) years effective from January 25, 2021 as per the terms and conditions stated in statement under 102(i) of the Companies Act, 2013 Annexed to this Notice forming part of this Notice.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified in Schedule V, Section II, Part A of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with schedule V of the Act, and subject to the approval of the Central Government, if required, the consent of the members, be and is hereby accorded to the appointment of Mr. Sanjeev Seth (DIN 07945707) as Managing Director of the Company for a period of 5 years with effect from 25th January 2021, on the following terms and conditions:

COMPONENTS	AMOUNT	
	(Rs. Per Month)	(Rs. Per Annum)
SALARY		
Basic Pay	350,000.00	4,200,000.00
House Rent Allowance	175,000.00	2,100,000.00
Special Allowance	544,512.00	6,534,144.00
GROSS SALARY	1,069,512.00	12,834,144.00
Meal Vouchers	3,000.00	36,000.00
Leave Travel Allowance	23,000.00	276,000.00
ALLOWANCES	26,000.00	312,000.00
Provident Fund	42,000.00	504,000.00
Gratuity	29,155.00	349,860.00
RETIRALS	71,155.00	853,860.00
FIXED COST TO COMPANY	1,166,667.00	14,000,004.00

Accomodation:

Mr. Sanjeev Seth shall be reimbursed on a monthly basis the expenses incurred by him for accommodation at Chennai which shall include rent, maintenance, electricity and other expenses, if any subject to an annual limit of Rs.12 Lakhs.

Car Facility:

Mr. Sanjeev Seth shall be provided with fully company maintained car with driver. The fuel, maintenance and other expenses, if any, towards the same shall be borne by the Company and shall be subject to the limits of the Company Policy.

Telephone Connection:

Mr. Sanjeev Seth shall be entitled for reimbursement of expenses incurred for Mobile connection at actuals.

Entitlement for Leave:

Mr. Sanjeev Seth shall be entitled for leave as per Company Policy.

Insurance:

Mr. Sanjeev Seth shall be eligible for Mediclaim insurance for self and dependents, Personal Accident insurance for self and Term Life insurance for self as per Company Policy.

Other Benefits:

Mr. Sanjeev Seth shall be entitled to other benefits, if any, applicable for the particular grade as per Company Policy.

Other Terms:

Mr. Sanjeev Seth shall be employed on full time basis and will not be permitted to undertake any other business, work or hold public office, honorary or remunerative, except with the written permission of the Competent Authority in each case.

Mr. Sanjeev Seth shall be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, during the currency of the tenure of Mr. Sanjeev Seth as Managing Director, the remuneration by way of salary, perquisites and other allowances as stated above be paid to Mr. Sanjeev Seth as minimum

remuneration for a period of 3 (Three) years notwithstanding the fact that the said remuneration shall be in excess of the ceiling provided in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications thereof), subject to the approval of the shareholders or other statutory authorities, as may be required, from time to time

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board is hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in this regard, to finalise and execute all agreements, documents and writings and to do all such acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being approved to seek any further consent or approval of the company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

4. **Ratification of remuneration of the Cost Auditors**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 148, and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,40,000/- payable for the Financial year 2021- 22 (excluding conveyance, out-of-pocket expenses and Service tax as applicable) to Mr. M Kannan, (Membership No. 9167), Cost Auditor of the Company be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5 (a) **Issue of Non- Convertible Debenture**

To consider and if thought fit, pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable Rules if any, prescribed there under (including statutory modification(s) or re-enactment thereof, for the time being in force) and in

accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, to the extent such Acts, Rules, Regulations, Notifications, amendments are applicable, approval & consent of the members of the Company, be and is hereby accorded to the Board of Directors or any Committee of the Board of Directors ("Board") to Create, to issue, and to make offer(s) and/or invitation(s) to Term Loan Lenders to subscribe to Secured Unlisted 0.01% coupon rate Non- Convertible Debentures for an aggregate value of upto Rs. 2655,73,00,000/-(Rupees Two Thousand Six Hundred Fifty Five Crores and Seventy Three Lakhs only), (as may be determined)) ("NCDs") on private placement basis, in one or more tranches during the period of one year from the date of passing of Special Resolution by Members in the General Meeting, to Term loan Lenders (or any other Bank, Company, Person etc.) in such form, manner, 'tranches, within such period, and upon such terms and conditions (the "Issue") as the Board of Directors of the Company or any Committee of the Board of Directors ("Board"), may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT any Director or authorised representative of the Company and Secretary of the Company be and are hereby severally authorized to do all such acts and deeds and things as it may in its absolute discretion deem necessary or incidental to the above(including necessary filings with the relevant authorities as may be necessary) and to execute documents, deed of hypothecation, creation of mortgage, creation of charge, deed of pledgeor any other security document for securing Non-Convertible Debentures.

RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company be and is hereby severally authorised to sign and submit this resolution as and when required to implement the same.

(b) Approval to grant option to the Lenders to convert whole or part of the Restructured Facilities into fully paid-up Equity shares of the Company

To consider and if thought fit, pass the following resolution as a special Resolution

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and in accordance with the Memorandum of Association and Articles of Association of the Company. Approval & consent of the member be and is hereby accorded to the Board of Directors or any Committee of the Board of Directors ("Board") to convert the whole or part of the "Restructured Facilities (as detailed herein below) of the Company as already stipulated or as may be specified by the

Financial Institutions/Banks under the financing documents executed or to be executed in respect of the Resolution Plan for the effective implementation of the Resolution Planned in order to restructure the Existing Facilities and grant of fresh facilities to the Company (existing and future arrangements) with Term Loan Lenders and Working Capital Lenders (hereinafter collectively referred to as the "**Lenders**"), at the option of the Lender, the said Facility or any other financial assistance categorized as loans (hereinafter referred to as the "**Financial Assistances**"), which may be availed from the Lender, from time to time, not exceeding Rs. 9000,00,00,000/- (Rupees Nine Thousand Crores), consistent with the existing borrowing powers of the Company, each such Financial Assistances being separate and distinct from the other, into fully paid-up equity shares of the Company on such terms and conditions as may be stipulated in the financing/security documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Lender (or their agents or trustees) to the Company (hereinafter referred to as the "**Notice of Conversion**") and in accordance with the following Conditions:

- (i) the conversion right reserved as aforesaid may be exercised by the Lender on one or more occasions during the currency of the Financial Assistances;
- (ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the Lender or any other person identified by the Lender as from the date of conversion and the Lender may accept the same in satisfaction of the part of the loans so converted;
- (iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the Facility payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lender or such other person identified by the Lender shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares of the Company in all respects.
- (iv) In the event that the Lender exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lender or such other person identified by the Lender as a result of the conversion, as may be prescribed by the Lender or such other person identified by the Lender and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lender or such other person identified by the Lender, to ensure that the equity shares are listed as required by the Lender or such other person identified by the Lender.
- (v) The Facility shall be converted into equity shares at a price to be determined at the time of such conversion.

RESOLVED FURTHER THAT any Director of the Company, authorised representative of the Company and Company Secretary of the Company be and are hereby severally authorized to do all such acts and deeds and things as it may in its absolute discretion deem necessary or incidental to the above.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The following statements set out the material facts with respect to the Notice dated December 3, 2021 as required under Section 102 of the Companies Act, 2013.

Item No. 3

Mr. Sanjeev Seth was appointed as an Additional Director of the Company with effect from January 25, 2021 and holds office up to the date of this Annual General Meeting of the Company, in terms of Section 161 of the Companies Act, 2013. Notice has been received from a member of the Company under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Sanjeev Seth for the office of Director

The Board of Directors at their Meeting held on 22nd January 2021 had appointed Mr. Sanjeev Seth as the Managing Director of the Company with effect from January 25, 2021 for a period of 5 years.

The Nomination and Remuneration Committee and Board of Directors had approved the Remuneration payable to Mr. Sanjeev Seth, Managing Director, taking into account the nature of responsibility, size of business, Mr. Sanjeev Seth's professional background, rich experience, the market trends of peer group organizations and also the huge responsibility of timely project completion, notwithstanding that the remuneration fixed may be in excess of the ceiling provided in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications thereof).

The approval of the members is to be sought by way of a Special Resolution, in accordance with the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, for appointment of Mr. Sanjeev Seth, on the following terms and conditions.

COMPONENTS	AMOUNT	
	(Rs. Per Month)	(Rs. Per Annum)
SALARY		
Basic Pay	350,000.00	4,200,000.00
House Rent Allowance	175,000.00	2,100,000.00
Special Allowance	544,512.00	6,534,144.00
GROSS SALARY	1,069,512.00	12,834,144.00
Meal Vouchers	3,000.00	36,000.00
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RETIRALS	71,155.00	853,860.00
FIXED COST TO COMPANY	1,166,667.00	14,000,004.00

Accomodation:

Mr. Sanjeev Seth shall be reimbursed on a monthly basis the expenses incurred by him for accommodation at Chennai which shall include rent, maintenance, electricity and other expenses, if any subject to an annual limit of Rs.12 Lakhs.

Car Facility:

Mr. Sanjeev Seth shall be provided with fully company maintained car with driver. The fuel, maintenance and other expenses, if any, towards the same shall be borne by the Company and shall be subject to the limits of the Company Policy.

Telephone Connection:

Mr. Sanjeev Seth shall be entitled for reimbursement of expenses incurred for Mobile connection at actuals.

Entitlement for Leave:

Mr. Sanjeev Seth shall be entitled for leave as per Company Policy.

Insurance:

Mr. Sanjeev Seth shall be eligible for Mediclaim insurance for self and dependents, Personal Accident insurance for self and Term Life insurance for self as per Company Policy.

Other Benefits:

Mr. Sanjeev Seth shall be entitled to other benefits, if any, applicable for the particular grade as per Company Policy.

Other Terms:

Mr. Sanjeev Seth shall be employed on full time basis and will not be permitted to undertake any other business, work or hold public office, honorary or remunerative, except with the written permission of the Competent Authority in each case.

Mr. Sanjeev Seth shall be liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in passing of this notice. The Directors recommends the resolution as set out in item no. 3 of the notice to be approved as a Special resolution by the shareholders.

Item No. 4

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2022 on a remuneration of Rs. 2,40,000/- plus applicable Service Tax and reimbursement of out-of-pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, approval and consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution for approval of the members as an ordinary resolution

Item No. 5(a)

The Board of Directors has recommended shareholders of the Company to approve the Resolution set out in Item no. 5 (a) of the notice to be approved as a Special resolution by the Shareholders.

The explanation to the said resolution is to create, to issue, and to make offer(s) and/or invitation(s) to Term Loan Lenders to subscribe to Secured Unlisted 0.01% coupon rate Non- Convertible Debentures for an aggregate value of upto Rs. 2655,73,00,000/- (Rupees Two Thousand Six Hundred Fifty Five Crores and Seventy Three Lakhs only), (as may be determined)) ("NCDs") on private placement basis, in one or more tranches during the period of one year from the date of passing of Special Resolution by Members in the General Meeting, to Term loan Lenders in such form, manner, 'tranches, within such period, and upon such terms and conditions (the "Issue") as the Board of Directors of the Company or any Committee of the Board of Directors ("Board"), may in its absolute discretion deem fit and proper.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution for approval of the members as a special Resolution.

Item No. 5 (b)

The Board of Directors has recommended shareholders of the Company to approve the Resolution set out in Item no. 5 (b) of the notice which is to be approved by Shareholders as Special Resolution

The explanation to the said resolution is to convert the whole or part of the Restructured Facilities (as detailed in Item No. 5 b of the Notice) of the Company as already stipulated or as may be specified by the Financial Institutions/Banks under the financing documents executed or to be executed in respect of the Resolution Plan for the effective implementation of the Resolution Plan and in order to restructure the Existing Facilities and grant of fresh facilities to the Company (existing and future arrangements) with Term Loan Lenders and Working Capital Lenders (hereinafter collectively referred to as the "**Lenders**"), at the option of the Lender, the said Facility or any other financial assistance

categorized as loans (hereinafter referred to as the “**Financial Assurances**”), which may be availed from the Lender, from time to time, not exceeding Rs. 9000,00,00,000/- (Rupees Nine Thousand Crores), consistent with the existing borrowing powers of the Company, each such Financial Assurances being separate and distinct from the other, into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing/security documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Lender (or their agents or trustees) to the Company (hereinafter referred to as the “**Notice of Conversion**”) and in accordance with the following conditions:

- (i) the conversion right reserved as aforesaid may be exercised by the Lender on one or more occasions during the currency of the Financial Assurances;
- (ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the Lender or any other person identified by the Lender as from the date of conversion and the Lender may accept the same in satisfaction of the part of the loans so converted;
- (iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the Facility payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lender or such other person identified by the Lender shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares of the Company in all respects.
- (iv) In the event that the Lender exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lender or such other person identified by the Lender as a result of the conversion, as may be prescribed by the Lender or such other person identified by the Lender and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lender or such other person identified by the Lender, to ensure that the equity shares are listed as required by the Lender or such other person identified by the Lender.
- (v) The Facility shall be converted into equity shares at a price to be determined at the time of such conversion.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), relating to special business to be transacted at the AGM, is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
4. The relevant details as required under Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director and/or relating to remuneration of Directors is given under the heading "PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT" forming part of this Notice.
5. Corporate Members are requested to send at secretarial@itpclindia.com before attending the AGM, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM
6. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
7. Procedure for attending the meeting through VC
 - The meeting shall be held through ZOOM Application
 - The link to attend the meeting forms part of the mail whereby this Notice has been circulated.
 - The members/ authorised representatives can click on the link in the email and join the meeting.
 - Help-line number for assistance: 7418372606

8. Members can login and join 15 (fifteen) minutes prior to the schedule time of Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time of commencement of the meeting.

9. Members can raise questions during the meeting or in advance at secretarial@itpclindia.com However, it is requested to raise the queries precisely and in short at the time of Meeting to enable to answer the same.

10. Voting at the Meeting:

- In terms of the provisions of section 107 of the Act read with the aforesaid MCA circular, unless a poll is demanded under section 109 of the Act, voting at the meeting shall be done through show of hands.
- In case a poll is demanded, the members/ representatives shall cast their vote on the resolution only by sending an email to secretarial@itpclindia.com from their email ID registered with the Company/ as mentioned in the resolution for corporate authorization received by the Company.

11. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or Depositories.

Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by sending an email to secretarial@itpclindia.com.

Members may also note that the Notice of the 15th AGM and the Annual Report for the year 2020-21 will be available on the Company's website www.itpclindia.com

12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to secretarial@itpclindia.com

13. The Meeting shall be deemed to be held at the Registered office of the Company at 4th Floor, KPR Tower, Old No.21, New No.2, 1st Street, Subba Rao Avenue, College Road, Chennai-600006

14. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.

Place : Chennai
Date : 3.12.2021

By Order of the Board of Directors
For **IL&FS Tamil Nadu Power Company Limited**

Harshlatha J Lalwani
Company Secretary

PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Name	Mr. Sanjeev Seth	Mr. Neerav Yashwant Kapasi
DIN	07945707	03500964
Date of Birth	February 26, 1965	August 15, 1975
Age	56 years	46 years
Qualifications	B.E. Electrical, Three tier senior management residential program, MIE, Chartered Engineer	CA, CS (Inter) and B.Com
Experience	33 years of techno commercial, management and leadership in diversified industries/businesses for Indian and Multinational organisations.	Over 23 years of experience across financial spectrum with hands-on experience in financial & operational performance monitoring, setting up finance & accounts operations & efficient reporting system right from scratch, annual budgeting, forecasting, and variance analysis, analytical bent of mind to explain complex financial data, implementing systems & procedures to achieve cost control & financial discipline, Supervising the preparation & analysis of MIS reports to provide feedback to the top management on business performance with industry comparison
Terms and conditions of appointment or re-appointment	Appointment as a Director liable to retire by rotation	Appointment as a Director liable to retire by rotation
Date of first appointment on the Board	25-01-2021	02-12-2020
Shareholding in the company	Nil	Nil
Relationship with other Directors,	Nil	Nil

Manager and other Key Managerial Personnel of the company		
The number of Meetings of the Board attended during the year	1	4
Other Directorships	Nil	<ol style="list-style-type: none"> 1. Hill County SEZ Private Limited 2. Downtown Recreations Private Limited 3. Jeedimetla Residential Homes Private Limited 4. Maytas Logiparks (Malkapur) Private Limited 5. Maytas Logiparks (Isnapur) Private Limited 6. IL&FS Airports Limited 7. Tierra Enviro Limited 8. Unique Waste Processing Company Limited 9. Hill County Properties Limited
Membership/ Chairmanship of Committees of other Boards	<u>IL&FS Tamil Nadu Power Company Limited</u> - Member of Audit Committee	<u>IL&FS Tamil Nadu Power Company Limited</u> - Chairman of Audit Committee - Member of Nomination & Remuneration Committee - Member of Corporate Social Responsibility Committee <u>IL&FS Airports Limited</u> - Member of Audit Committee - Member of Nomination and Remuneration Committee <u>Hill County Properties Limited</u> - Member of Audit Committee - Member of Nomination and Remuneration Committee

Board's Report

Dear Members,

The Board of Directors hereby presents the Fifteenth Annual Report on the business and operations of the Company along with the audited Financial Statements, both standalone and consolidated, for the Financial Year ended on March 31, 2021.

1. Financial Highlights

(Rs. in million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from operations	27,890.48	34,326.60	27,890.48	34,326.60
Other Income	370.66	268.54	370.19	164.26
Total Income	28,261.14	34,595.14	28,260.67	34,490.86
Expenses	14,672.24	22,939.97	14,716.77	22,997.65
Profit/(Loss) before Interest, Depreciation & Impairment losses & onetime expenses	13,588.90	11,655.17	13,543.90	11,493.21
Interest	149.61	312.83	149.61	323.03
Depreciation	1,986.17	2,011.41	1,986.22	2,011.47
Impairment losses	9,591.54	655.17	7,475.46	225.09
Profit/(Loss) before Tax	1,861.58	8,675.76	3,932.61	8,933.62
Income Tax Expense/(Benefit)	-	-	-	-
Profit/(Loss) after Tax	1,861.58	8,675.76	3,932.61	8,933.62

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

2. Dividend

The Board of Directors of your Company has not recommended any Dividend for the Financial Year ended on March 31, 2021.

3. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable, are presented in this Annual Report.

4. State of affairs of the Company

The State of Affairs of the Company is presented as part of the Management Discussion and Analysis Report forming part of this Report.

5. Subsidiary Companies

The Company has five subsidiaries as at the yearend namely ILFS Maritime Offshore Pte Ltd (IMOL), IL&FS Offshore Natural Resources Pte Ltd., (IONRPL), PT Bangun Asia Persada (PT BAP), PT Mantimin Coal Mining (PT MCM) and Seven Factor Corporation (SFC).

The Consolidated financial statement prepared in accordance with "Ind AS" is made part of the Annual Report.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC 1 is attached as **Annexure I** to the Annual Report

The annual accounts and related information of the subsidiaries, where applicable, will be made available upon request. These documents will also be made available for inspection during business hours at the registered office of the Company.

6. Investments in Direct Subsidiaries

During the year under review, the Company did not invest in its direct subsidiary.

7. Directors and Key Managerial Personnel

Details of Directors and Key Managerial Personnel who were appointed or have resigned during the year:

A. Change in Composition of the Board:

- a) Mr. Maharudra Wagle resigned from the Board w.e.f. August 17, 2020.
- b) Mr. Ashwani Kumar was appointed as Nominee Director w.e.f. May 18, 2021. However, he resigned from the Board w.e.f. October 15, 2020.
- c) Mr. Vineet Nayyar resigned from the Board w.e.f. November 1, 2020.
- d) Mr. Natarajan Srinivasan retired by rotation at the Annual General Meeting of the Company held on December 23, 2020

- e) Mr. Velliangiri Arunachalam was appointed as Additional Director (Independent) w.e.f. May 18, 2020. His term of office expired at the Annual General Meeting of the Company held on December 23, 2020.
- f) Mr. Neerav Kapasi was appointed as Additional Director on the Board of the Company w.e.f. December 2, 2020. His appointment as a Director of the Company was approved at the Annual General Meeting of the Company held on December 23, 2020
- g) Mr. Feby Koshy Bin Koshy was appointed as Additional Director on the Board of the Company w.e.f. December 2, 2020. His appointment as a Director of the Company was approved at the Annual General Meeting of the Company held on December 23, 2020
- h) Mr. Sanjeev Seth has been appointed as Managing Director and designated as Key Managerial Personnel of the Company w.e.f. January 25, 2021

B. Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Ms. Malini Vijay Shankar retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

C. Independent Directors:

During October 2018, the Board of IL&FS (the ultimate holding company of the Company) was superseded with Government nominated directors to manage the affairs of IL&FS and its group companies of which the Company is a part.

Subsequently the existing Independent Directors resigned from the Board of the Company.

Given the situation the IL&FS Group was in, it was difficult to find eminent/suitable independent and women Director to fill the vacancy.

Considering these difficulties the Hon'ble National Company Law Tribunal has vide Order dated April 26, 2019 granted dispensation for mandatory appointment of Independent and woman Directors in IL&FS and its Group Companies.

D. Woman Director:

As stated above, the Hon'ble National Company Law Tribunal vide Order dated April 26, 2019 has granted dispensation regarding mandatory appointment of women directors in IL&FS and its Group Companies of which your Company is a part.

However, the Company has a woman director on the Board.

A. Key Managerial Personnel:

Key Managerial Personnas on March 31, 2021:

- a) Mr. Sanjeev Seth, Managing Director (w.e.f. January 25, 2021)
- b) Mr. N K Balaji, Chief Financial Officer (ceased w.e.f. March 31, 2021)
- c) Ms. Priya Iyer, Company Secretary (ceased w.e.f. August 13, 2021)

Mr. N Ramesh, Chief Executive Officer and Key managerial person of the Company ceased to be KMP w.e.f. January 25, 2021.

2. Number of meetings of the Board

The Board met seven times during the financial year 2020-21 viz., on May 18, 2020, June 29, 2020, October 21, 2020, December 5, 2020, December 28, 2020, January 22, 2021 and March 22, 2021.

The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

3. Committees of the Board

The Company's Board has formed the following Committees:

- (i) Audit Committee
- (ii) Nomination & Remuneration Committee
- (iii) Corporate Social Responsibility Committee
- (iv) Risk Management Committee (dissolved w.e.f. March 22, 2021)

The details of the membership and attendance of the Meetings of the above committees of the Board are provided in the Corporate Governance report forming part of this Annual Report.

4. Managerial Remuneration Policy:

The objective of the Remuneration Policy is to attract, retain and motivate highly qualified members for the Board and Executive level.

The Company's Policy on Directors' Appointment and remuneration and other matters provided in Section 178(3) of the Act is attached as **Annexure II** to the Annual Report.

5. Directors' Responsibility statement

In Compliance with Section 134(5) of the Act, the Board of Directors hereby confirm the following:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) 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;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

- (iv) The annual accounts have been prepared on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditor's report for the Financial Year ended March 31, 2021

Messrs S R Batliboi & Associates LLP, Statutory Auditors has audited the Financial Statements of the Company for the Financial Year ended March 31, 2021.

The qualifications made by the Auditor and the explanation to the same are given in **Annexure III**

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

12. AUDITORS:

A. Statutory Auditors

At the Annual General Meeting held on September 28, 2018, Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W / E300004), were appointed as the statutory auditors of the Company for a term of 5 (five) consecutive years till the conclusion of the 17th Annual General Meeting of the Company to be held in the calendar year 2023.

In accordance with the Companies Amendment Act, 2017, which was notified with effect from May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

B. Cost Auditor

Mr. M Kannan (Firm Registration No. 102185), Cost Accountant, was appointed as Cost Auditor for auditing the cost records of the Company for the Financial Year 2020-21.

The Cost Audit report will be filed with the Ministry of Corporate Affairs once it is finalised.

Mr. M Kannan (Firm Registration No. 102185), Cost Accountant, has been appointed as Cost Auditor for auditing the cost records of the Company for the Financial Year 2021-22. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolution seeking ratification of the remuneration of Mr. M Kannan (Firm Registration No. 102185), Cost Accountant, approved by the Board, is included in the Notice convening the 15th Annual General Meeting of the Company.

C. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company engaged the services of M/s. Aashish Kumar Jain & Associates (CP No. 7353), Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit report for the financial year March 31, 2021 in Form No. MR-3 is attached as Annexure IV to the Annual Report. The qualifications made by the Secretarial Auditor and explanation to the same are given in Annexure V OR The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

13. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Disclosure on particulars of Loans, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

14. Particulars of contracts or arrangements made with related parties referred to in sub-section (1) of Section 188 in the prescribed form

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2 is attached as Annexure VI to the Annual Report

15. Details of material changes and commitments affecting financial position between the end of the financial year and the date of report

There have been no material changes and commitments, affecting the financial position of the Company between the end of the Financial Year and the date of this report.

16. Details of change in nature of business

There has been no change in the nature of business of the Company.

17. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations Of the Company in the future.

18. Maintenance of cost records

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is applicable to the Company and accordingly such accounts and records are made and maintained.

19. Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Energy Conservation:

i. the steps taken or impact on conservation of energy:-

The following are the new initiatives taken for energy conservation

- a) As a part of Energy Saving 672 Nos of conventional Light fittings replaced with LED lights. This has resulted in saving of 148736 KWh/Year of energy consumption resulting in savings of Rs 4.5 Lakhs/Year.
- b) Variable Frequency Drive (VFD) installed in Hypo dosing pumps in place of Direct online starter for the energy saving as well as for system improvement. Saving-280KWh/month.

ii. The following are the energy optimization constantly being followed

- a) Operation of condensate transfer pump in both units was stopped and water requirement to hot well make-up is taken by gravity and CCCW tank make-up is taken from CEP.
- b) Operation of three Sea water intake pump instead of 4 pumps while both units are in operation.
- c) Operation of five Cooling water pumps instead of 6 pumps while both units are in operation.
- d) During winter season when ambient temperature is low, number of cooling tower fans in operation is reduced.

- e) Optimized operation of FGD O2 blower during part load operation.
- f) Instrument air for FGD drawn from main plant. FGD compressor was stopped and kept as standby.
- g) Optimized operation of agitator in FGD system.
- h) Optimization in Slurry recirculation pumps through selective operation.
- i) Optimizing the FGD booster fan loading during low content Sulphur coal fire in boiler.
- j) Variable Frequency Drive (VFD) installed in LDO forwarding pump in place of Direct Online starting. This has resulted in saving of 1200KWh/day.
- k) Further, various cost savings measures have been put in place like usage of limestone slurry for service water system, etc.

iii. The steps taken by the company for utilising alternate sources of energy:

Roof top solar plant of capacity 151 KWp has been installed in the parking shed which is meeting the power requirement of Service building and Stores building. Roof Top Solar Power generated in FY'2020-21 is 213190 KWh.

iv. The capital investment on energy conservation equipment's:

- a) As a part of Energy Saving 672 Nos of conventional Light fittings replaced with LED lights at a cost Rs. 4,00,000/-
- b) Variable Frequency Drive (VFD) installed in Hypo dosing pumps in place of Direct online starter for the energy saving at a cost Rs. 50,000/-

B. Technology Absorption:

(i) the efforts made towards technology absorption:

- a) Implemented external braking system as engineering control for both unit for all cooling tower fans.
- b) Implemented safe anchoring point in Fly ash silo unloading area with retractable fall arrester system.
- c) Ensured redundancy for fly ash conveying system by interconnecting compressor discharge.

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

- a) In Unit#2 all Cooling Tower fans (17 Nos) which had imported Multi sensors have been replaced with indigenous sensors which has resulted in cost savings on spares.
- b) Indigenization of component level of Boiler flame camera has been done. (Total cost benefit towards spares: Rs. 16 Lakhs approx.)
- c) The HRH drain pot level switches in both Units have been indigenized which has improved availability.
- d) Boiler Electronic drum level indicator indigenization was carried out.
- e) MOT PHE Cooler inlet strainer introduced to minimize "foreign particles entering into cooler plates and leads to gasket/plates damages", thereby increasing the equipment reliability.
- f) Boiler ERV internal spares have been developed indigenously leading to reduction in cost by 95%.
- g) LDO oil guns has been developed indigenously and cost reduced significantly compared to imported spare.
- h) Coal mill Journal bushing has been developed indigenously and cost has been reduced by 85%.
- i) Recycled waste oil (HLP 46-200ltr) in bottom ash area and reused the same thereby leading to reduction in cost.

- j) Indigenized CT DS pump shaft sleeves, guide bearing materials thereby resulting in 60% cost savings when compared to OEM spares.
- k) In Coal Handling Plant, the Grease Distributor for Stacker cum Reclaimer and Screen Plate Parts for Coal Crusher have been indigenization which has resulted in reduction in the procurement cost for the said spares by 50%.

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

- a) The details of technology imported: Nil
- b) The year of import: NA
- c) Whether the technology been fully absorbed: NA
- d) If not fully absorbed, areas where absorption has not taken place & the reasons thereof: NA

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

C. Foreign Exchange Earnings and Outgo:

a	Foreign Exchange earnings	Nil
b	Foreign Exchange outgo	Rs. 841.76 Million

20. Risk Management Policy

Disclosure indicating implementation of a Risk Management Policy is provided in the Management Discussion and Analysis Report forming part of this Report.

21. Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company and initiatives undertaken by the Company on CSR activities during the year are set out in Annexure VII of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the Company's website (www.itpclindia.com).

22. Share Capital

During the year, there was no change in the share capital of the Company.

The paid-up share capital as at March 31, 2021 was Rs.2,002,077,640 comprising 200,207,764 equity shares of Rs. 10/- each.

23. Details of issue of securities made during the year:

The Company has not issued any security during the year

(i) Debentures

During the financial year 2016-17, the Company had issued and allotted Redeemable, Secured, Unlisted, Non-Convertible Debentures (NCDs) amounting to Rs. 500 Crores. IDBI Trusteeship Services Limited having their office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001 are the Debenture trustee for the same.

As on March 31, 2021 the total outstanding value of Non-convertible Debentures was Rs. 500 Crores.

In view of the moratorium, the Company has not serviced interest on the NCDs since December 15, 2018

500 Fully Compulsorily Convertible Debentures for an aggregate amount of Rs.500 Crores held by Infrastructure Leasing and Financial Services Limited were converted into fully paid up Equity shares with the approval of the Board of Directors on August 17, 2019. Consequently 2,42,37,999 Equity shares of Rs.10/- each were allotted to Infrastructure Leasing & Financial Services Limited.

24. Board evaluation

As per the provisions of Section 134 (3) (p) of Companies Act, 2013 read with Rule 8(4) of Companies (Accounts) Rules, 2014, the Board of IL&FS Tamil Nadu Power Company Limited is required to undertake formal annual evaluation of its own performance and that of its Committees and individual Directors.

However, the Board of Infrastructure Leasing and Financial Services Limited (IL&FS) (Ultimate Holding Company) is of the opinion that this requirement should not be applicable to IL&FS Group Companies.

The following points were considered by the Board of IL&FS in this regard: -

- (a) Based on the extract of Hon'ble National Company Law Tribunal Order dated April 26, 2019, it can be inferred that members of the New Board could be considered akin to Independent directors and not the independent directors. In the absence of this view, the Company would also require to have the meeting of Independent Directors as stipulated in the Companies Act, 2013.
- (b) In the normal circumstances, the Directors are appointed by the shareholders and the Board Evaluation is required to be done pursuant to Companies Act, 2013, so as to report to shareholders about the Evaluation process carried out by the Board. In case of IL&FS, since the Board is appointed by NCLT with specific mandate for resolution considering public interest, the procedure of Board evaluation from the perspective of reporting to shareholders may not be relevant.
- (c) The purpose and intent of Board evaluation was in essence linked to extension or continuation of the term of appointment of the independent directors. This perspective shall not be applicable in the case of IL&FS and the group companies as there were no Independent Directors and the requirement of appointing Independent Directors has been dispensed with by Hon'ble National Company Law Tribunal order dated April 26, 2019.
- (d) Further, in the absence of Independent Directors, the process of Board evaluation would anyway be truncated due to non-applicability of provisions of Schedule IV of the Companies Act'2013.
- (e) Considering that IL&FS is the first group level insolvency case in India, the Board may want to dwell upon the spirit of the provisions than continuing the process to meet the compliance requirements of the section.
- (f) As the New Board has been reviewing the operations of the IL&FS group as a collective body appointed by NCLT, it cannot be compared with promoter lead managements in most other cases and in this sense the distinction between executive and non-executive directors is thin which is governed by MCA appointment orders. In this sense, evaluation of the Board as a whole, would in essence be a formality.the Board as a whole, would in essence be a formality.

In view of the above, IL&FS is under the process of filing an application with Hon'ble National Company Law Tribunal seeking an exemption/clarification from this requirement explaining the rationale for non-applicability of Board Evaluation to IL&FS Group Companies (which includes ITPCL), after taking the same through Ministry of Corporate Affairs.

25. Internal control system

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors.

26. Vigil mechanism

The Company has established a Vigil Mechanism / Whistle Blower Policy, whereby Employees, Directors and other Stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct of the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

No complaint was received during the year under review.

27. Information required under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013

In accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has adopted the Internal Complaints Committee constituted by IL&FS, with Presiding Officer and / or members of the Internal Complaints Committee (ICC). The Company is bound by the Policy formulated by the aforementioned Committee and employees shall refer any complaint that may arise in the workplace to the above mentioned Committee. There was no complaint received during the year.

28. Particulars of Employees

The information in respect of employees of the Company required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is enclosed as **Annexure VIII** to the Board's report.

29. Deposits

During the year, the Company did not accept any public deposits under Chapter V of Companies Act, 2013 and did not have any outstanding deposits

30. Extract of Annual Return

An extract of the Annual Return in the prescribed format is appended as **Annexure IX** to the Board's report.

In accordance with Section 134(3) (a) of the Companies Act, 2013, the Annual Return referred to in sub-section (3) of section 92 would also be placed on the website of the Company and accessible at <https://www.itpclindia.com/investors.html>

31. Proceeding pending under the Insolvency and Bankruptcy Code, 2016

There is no application made during the year.

32. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

No one time settlement done with the Bankers and financial Institutions

33. Acknowledgements

The Board of Directors wish to place on record their appreciation to all the employees of the Company and the IL&FS Group for their sustained efforts, dedication and hard work during the year.

The Board of Directors also wish to place on record their appreciation for the continued support and co-operation of the Shareholders, Banks, Financial Institutions, Associates, regulatory and Government Authorities and for the valuable contributions made by the employees of the Company.

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

ANNEXURES
ANNEXURE I
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing the salient features of the financial statements of Subsidiaries/Associate Companies/Joint ventures:
Part "A": Subsidiaries

(Amount in ₹, unless otherwise stated)

S. No	Name of subsidiary	ILFS Maritime Offshore Pte Ltd	IL&FS Offshore Natural Resources Pte Ltd	Se7en Factor Corporation	PT Bangun Asia Persada	PT Mantimin Coal Mining
		(a)	(b)	(c)	(d)	(e)
1	Reporting period for the subsidiary	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021
2	Reporting Currency and Exchange rate as on March 31, 2021	USD Exchange rate 73.5047	USD Exchange rate 73.5047	USD Exchange rate 73.5047	USD Exchange rate 73.5047	USD Exchange rate 73.5047
3	Share Capital	2,089,535,393	1,108,797	451,400	997,978,787	Refer Note (f)
4	Reserves & Surplus	(8,928,459,157)	(27,651,364)	237,248,687	(750,367,647)	Refer Note (f)
5	Non Controlling Interest	-	-	-	(28,772,635)	Refer Note (f)
6	Total Assets	905,844,704	1,541,711	238,890,275	1,424,072,528	Refer Note (f)
7	Total Liabilities	7,744,768,467	28,084,278	1,190,188	1,176,461,388	Refer Note (f)
8	Investments	286,075,819	1,396,601	-	-	Refer Note (f)
9	Turnover (including other income)	-	-	-	968	Refer Note (f)
10	Profit/(Loss) before taxation	(4,068,167,377)	(8,171,188)	(116,496)	(42,886,081)	Refer Note (f)
11	Provision for Taxation	-	-	-	-	Refer Note (f)
12	Profit/(Loss) after Taxation	(4,068,167,377)	(8,171,188)	(116,496)	(42,886,081)	Refer Note (f)
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil

S. No	Name of subsidiary	ILFS Maritime Offshore Pte Ltd	IL&FS Offshore Natural Resources Pte Ltd	Se7en Factor Corporation	PT Bangun Asia Persada	PT Mantimin Coal Mining
		(a)	(b)	(c)	(d)	(e)
14	% Shareholding by the Company	100%	100%	100%	100%	95%

Notes:

- a. *Percentage holding is disclosed based on aggregation of direct holding of the Company and shareholding of the Subsidiary*
- b. *ILFS Maritime Offshore Pte Ltd is a Wholly owned Subsidiary of IL&FS Tamil Nadu Power Company Limited*
- c. *IL&FS Offshore Natural Resources Pte Ltd is a Wholly owned Subsidiary of ILFS Maritime Offshore Pte Ltd*
- d. *Se7en Factor Corporation is a Wholly Owned Subsidiary of ILFS Maritime Offshore Pte Ltd*
- e. *ILFS Maritime Offshore Pte Ltd and IL&FS Offshore Natural Resources Pte Ltd together holds 100% shares in PT Bangun Asia Persada in the ratio of 99:1. Financial Information given in the above table for PT Bangun Asia Persada is based on Consolidated Financial Statements.*
- f. *PT Mantimin Coal Mining is a Subsidiary of PT Bangun Asia Persada which holds 95% shares. Numbers of PT Mantimin Coal Mining are consolidated with PT Bangun Asia Persada*
- g. *None of the subsidiaries of the Company have commenced operations*
- h. *None of the subsidiaries have been liquidated or sold during the year.*

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in ₹, unless otherwise stated)

S. No	Name of Associates/Joint Ventures	Cuddalore Solar Power Private Limited
1	Latest audited Balance Sheet Date	31.03.2021
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	17,600
	Amount of Investment in Associates/Joint Venture	176,000
	Impairment provided during the year	176,000
	Extend of Holding %	26%
3	Description of how there is significant influence	By virtue of shares held to an extent of 26%
4	Reason why the associate/joint venture is not consolidated	N.A
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	(176,000)
6	Profit / Loss for the year	
	i) Considered in Consolidation	-
	ii) Not Considered in Consolidation	-

Notes:-

- Cuddalore Solar Power Private Limited is a Joint Venture Company between IL&FS Tamil Nadu Power Co. Ltd and IL&FS Renewable Energy Ltd (Now merged with IL&FS Energy Development Company Limited)*
- Cuddalore Solar Power Private Limited is yet to commence operations*
- None of the associates or joint ventures have been liquidated or sold during the year*

For and on behalf of the Board of Directors

Sanjeev Seth
 Managing Director
 DIN: 07945707

Dr. Malini Vijay Shankar
 Director
 DIN: 01602529

Neerav Yashwant Kapasi
 Director
 DIN: 03500964

Feby Koshy Bin Koshy
 Director
 DIN: 08483345

Date: 03.12.2021
 Place: Chennai

Date: 03.12.2021
 Place: Chennai

Date: 03.12.2021
 Place: Mumbai

Date: 03.12.2021
 Place: Mumbai

Sushil Kumar Agarwal
 Chief Financial Officer

Date: 03.12.2021
 Place: Chennai

Harshlatha J
 Company Secretary

Date: 03.12.2021
 Place: Chennai

Annexure II

Managerial Remuneration Policy

I. Preamble:

The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

II. Aims & Objectives:

The aims and objectives of this remuneration policy may be summarized as follows:

- (1) The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
- (2) The remuneration policy seeks to enable the company to provide a well balanced and performance-related compensation package, taking into account Shareholder's interests, industry standards and relevant Indian corporate regulations.

- (3) The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- (4) The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Effective Date:

This policy shall be effective from **April 1, 2014**

III. Compensation Forums:

Nomination & Remuneration Committee:

Nomination & Remuneration Committee was constituted in March 2014 to oversee the remuneration of the Whole-time Directors of the Company, determine the quantum and distribution of Performance Related Pay to employees including the Whole-time Directors of the Company.

IV. Statutory Provisions:

- (1) Pursuant to the notification of the Companies Act 2013 effective April 01, 2014, the following provisions thereof have been considered while formulating the Remuneration Policy at ITPCL :
- Remuneration for Whole-time, Non-Executive Directors, Key Management Personnel and Senior Management
 - Role of the Nomination and Remuneration Committee
 - Disclosures in the Directors' Report

such as the market scenario, business performance of ITPCL are considered

- (3) Rationale for Remuneration Framework :
- Internal Ratios: The Compensation package for Managerial Personnel at level/s lower than Whole-time Director is revised annually in the form of performance increments, structural improvements and Cost of Living Adjustments. This has led to a compressing of the compensation differential between the lowest and highest levels of executive management

V. Objective:

- The key objective of the Managerial Remuneration Policy is to enable a framework that allows competitive and fair rewards for the achievement of key deliverables
- While deciding remuneration for the Whole-time Directors' various factors

- Compliance & Risk Parameters : In view of Company law regulations, the compliance roles of Whole-time Directors far outweigh that of any other level, and consequently the risk parameters associated with these jobs are of a significantly higher level as compared to the junior levels

VI. Remuneration Pattern:

- (1) **Structure** : A summary of the current structure set for the Whole-time Directors is as mentioned below :

Components	Item	Description	Policy
Base Salary	<ul style="list-style-type: none"> Reflects the Directors' experience, criticality of the role with the Group and the risk factor involved 	<ul style="list-style-type: none"> Consolidated Salary fixed for each financial year This component is also used for paying retiral benefits Paid on a monthly basis 	Normally positioned as the highest as compared to the Group
Short-term incentive / PRP	<ul style="list-style-type: none"> Based totally on the performance of the Director 	<ul style="list-style-type: none"> Variable component of the remuneration package Paid on an annual basis 	Determined by the Compensation Committee after year-end based on performance against the pre-

Components	Item	Description	Policy
			determined financial and non- financial metrics
Retiral Benefits	<ul style="list-style-type: none"> Provide for sustained contribution 	<ul style="list-style-type: none"> Accrues depending on length on service. It is 20.33% of Consolidated Pay 	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

(2) **Base Salary** : The Shareholders of the Company, while approving the appointment of the Whole-time Directors approve the gross salary of the Whole-time Directors

(3) **Perquisites and benefits**: All other benefits are as per the rules of the Company. In addition to the above remuneration, the Whole-time Directors are also entitled to perquisites as per the Rules of the Company

(4) **Short-Term Incentive Plan ('STIP')**:

(a) The Company operates variable pay scheme called as "Performance Related Pay" [PRP]. Amendments to the PRP scheme is made to suit the Organization's business and performance

(b) In determining the actual PRP payments, the factors which are usually considered are Operational performance against budget / target.

VII. Key Management Personnel:

(1) The Key Management Personnel (KMP) in ITPCL are Chairman, Managing Director, Chief Financial Officer, and Company Secretary (CS)

(2) The KMPs have operational responsibilities in addition to the responsibilities specified by the Companies Act, 2013

(3) The remuneration package of the Key Management and Senior Management comprises of :

(a) **Fixed Remuneration** : This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Special allowance and Children Education Allowance

(b) **Annual Allowances**: This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance

- (c) **Retirals:** This includes Provident Fund @ 12% of Consolidated Pay and Gratuity @ 8.33% of Consolidated Pay

- (iv) To determine and recommend to the Board the remuneration payable to the Directors
 (v) To review and approve the HR Policies of the Company and to oversee the Human resources strategy

VIII. Non-Whole Time Directors:

Non Whole-Time Directors are paid Sitting Fees for attending the Board / Board Committee/s Meetings in accordance with the Companies Act, 2013. The Board is responsible for setting policy in relation to the remuneration of the Non-Whole Time Directors.

NRC would play a pivotal role in ensuring the governance as follows:

IX. Remuneration Mix:

The total remuneration package of Directors and KMPs is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that outstanding performance is incentivized but without encouraging excessive risk taking.

- (1) Identification, appointment of Directors, Key Managerial Personnel and Senior Management
- (2) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend Managerial Remuneration Policy to the Board for remuneration for the directors, key managerial personnel and senior other employees

X. Role of the Nomination and Remuneration Committee (NRC):

The role of the Nomination and Remuneration Committee (NRC) will inter alia be the following:

- (i) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management
- (ii) Recommending to the Board their appointment and removal
- (iii) Carrying out evaluation of every Director's performance

XI. Disclosures:

Under the provisions of CA 2013, the Board of Directors would have to disclose the details of the managerial remuneration in the Director's Report to the Shareholders

XII. Review and Modification:

Effectiveness of the Managerial Remuneration Policy is ensured through periodical review. The Board of Directors of ITPCL may amend or modify this Policy in whole or in part at any time

Explanation or comments by the Board of Directors on Qualification, Reservation or adverse remark or disclaimer made by the Auditors' in their report on the Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2021:

S. No.	Qualification, Reservation or adverse remark or disclaimer made	Explanation or comments by the Board of Directors
a.	<p>Note 41 regarding investments (net of provisions) in ILFS Maritime Offshore Pte Ltd, Singapore (a subsidiary of the Company), of Rs 612.46 million as at March 31, 2021 (previous year – Rs 2,355.10 million), in respect of which no provision for impairment in investments has been made. We are unable to obtain sufficient appropriate audit evidence of the carrying value of such investments, and consequently, unable to comment on the any further adjustments that may be required to be recognised in this regard.</p>	<p>Based on the managements estimate the Company has made provision for impairment on Investment of Rs. 1,742.64 million, in ILFS Maritime Offshore Pte Ltd, Singapore (a subsidiary of the Company). The balance amount of Investment of Rs. 612.46 mn represents the expected realization / recoverable value of the said Investment / loan receivable.</p> <p>The Management will carry out a valuation of mining asset and make necessary adjustments in the value of Investments based on the valuation report.</p>
b.	<p>Note 42 to the financial statements regarding gross trade receivables and unbilled revenues, of Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year – Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. The Company has made provisions of Rs 3,187.01 million (previous year – Rs 1,944.76 million) in respect of the aforesaid trade receivables. We are unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.</p>	<p>Energy invoices have been raised on TANGEDCO basis meter reading certified by independent agency. Auditors main concern relate to delayed realization, for which the Management are taking various steps for early collection as per PPA.</p> <p>The Company has constantly followed up with TANGEDCO for collections and follow up correspondences are being sent for the nonpayment of receivables periodically.</p> <p>It has been intimated to TANGEDCO that any further delay in payment will result in invocation of letter of credit (LC) and as a step towards recovery, the Company has regulated power to TANGEDCO. As a result of the efforts, the Company has been able to recover part amount under the Atmanirbhar scheme – tranche 2 of the Government of India, the balance amount is expected shortly.</p> <p>The Company has been regularly raising the issue of increasing outstanding with all the stake holders like TANGEDCO, Ministry of Power – Government of India, Government of Tamilnadu as well as concerned Secretary like Finance secretary and Chief Secretary Tamilnadu for resolution of the same.</p> <p>As a part of policy advocacy, the matter was taken up by all IPPs with Ministry of Power and various meetings have taken place to address huge outstanding of GENCOs in India. Ministry of Power is also finalizing revised guidelines with recommendations from IPPs and central GENCOs to collectively address this issue of regulation of power and LC invocation for monthly current dues, in the event of Outstanding dues at DISCOMs as a way forward and also a Mechanism for recovery of outstanding dues.</p>

c.	Note 45(a) to the financial statements, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In our opinion, the Company may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 26,405.84 million as at March 31, 2021 (previous year – Rs 15,176.83 million). Further, pending the final assessment and determination of various claims received as stated in note 45(b), we are unable to comment on the adjustments that may be required in this regard, to the financial statements.	In accordance with the NCLAT order the Company has not accounted for interest on debt / dues to the creditors post the cut-off date of 15 October 2018 up to 31 March 2021. This will be accounted basis the approval of restructuring plan filed with Honorable NCLAT and the same is shown as contingent liability in the financial books. Claims management exercise has been initiated by the New Board for IL&FS and its group companies including ITPCL. The details in relation to the same are available on the website of IL&FS - www.ilfsindia.com . In this regard, the creditors' claims management is undertaken by Grant Thornton (GT), the claims management consultant. The Creditor claims in respect of IL&FS have been invited, verified and admitted by M/s Grant Thornton, with a cut-off date of October 15, 2018 in line with NCLAT directions. This claims management process duly records the nature of security charge specific to each creditor. Adjustments if any arising out of this exercise shall be carried out after final reconciliation.
d.	Note 46 to the financial statements. For the reasons stated in that note, the Group has not recorded the net difference of Rs 13,985.45 million (previous year – Rs. 5,949.28 million) between book balances and bank & financial institution balances, in respect of loans from banks and financial institutions. We are unable to comment on the consequential effects of the above, on the financial statements.	The difference represents additional / penal interest charged by various banks in the consortium, which is not payable by the Company as a consequence of the moratorium granted by Hon'ble NCLAT. Accordingly, the Company has not accepted / admitted the same. The differences shall be reconciled and adjusted in either of bank and company's books, post restructuring.
e.	Note 47, relating to the regulatory order for re-opening of books of accounts and re-casting of financial statements of certain group companies, and Note 48, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, whose possible consequential effects on the financial statements cannot be determined as of even date.	With regard to regulatory order for re- opening of books of accounts, re-casting of financial statements and the Forensic audit, as the process is ongoing the Board is unable to ascertain the impact at this stage.

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

Explanation or comments by the Board of Directors on Qualification, Reservation or adverse remark or disclaimer made by the Auditors' in their report on the Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2021:

S. No.	Qualification, Reservation or adverse remark or disclaimer made	Explanation or comments by the Board of Directors
a.	<p>Note 41 to the financial statements. The accompanying Ind-AS consolidated financial statements include Rs 612.71 million, Rs 0.00 million, Rs 3,807.70 million and Rs (19.21) million (previous year – Rs 1,923.19 million, Rs 0.42 million, Rs 164.75 million, and Rs 18.84 million respectively), of total assets, total revenue, total losses and net cash flows, respectively, pertaining to the Company's subsidiary, whose consolidated financial statements under Ind-AS have been prepared by management but have not been audited. We are unable to comment on the consequential effects, had such consolidated financial statements been audited.</p>	<p>The financial statements of the overseas subsidiaries have been audited under the respective GAAP's wherever applicable and the same have been converted into Ind AS Financial Statements for the purpose of consolidation by the management</p>
b.	<p>Note 42 to the financial statements regarding gross trade receivables and unbilled revenues, of Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year – Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. The Company has made provisions of Rs 3,187.01 million (previous year – Rs 1,944.76 million) in respect of the aforesaid trade receivables. We are unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.</p>	<p>Energy invoices have been raised on TANGEDCO basis meter reading certified by independent agency. Auditors main concern relate to delayed realization, for which the Management are taking various steps for early collection as per PPA.</p> <p>The Company has constantly followed up with TANGEDCO for collections and follow up correspondences are being sent for the nonpayment of receivables periodically.</p> <p>It has been intimated to TANGEDCO that any further delay in payment will result in invocation of letter of credit (LC) and as a step towards recovery, the Company has regulated power to TANGEDCO. As a result of the efforts, the Company has been able to recover part amount under the Atmanirbhar scheme – tranche 2 of the Government of India, the balance amount is expected shortly.</p> <p>The Company has been regularly raising the issue of increasing outstanding with all the stake holders like TANGEDCO, Ministry of Power – Government of India, Government of Tamilnadu as well as concerned Secretary like Finance secretary and Chief Secretary Tamilnadu for resolution of the same.</p> <p>As a part of policy advocacy, the matter was taken up by all IPPs with Ministry of Power and various meetings have taken place to address huge outstanding of GENCOs in India. Ministry of Power is also finalizing revised guidelines with recommendations from IPPs and central GENCOs to collectively address this issue of regulation of power and LC invocation for monthly current dues, in the event of Outstanding dues at DISCOMs as a way forward and also a Mechanism for recovery of outstanding dues.</p>

c.	Note 45(a) to the financial statements, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In our opinion, the Company may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 26,405.84 million as at March 31, 2021 (previous year – Rs 15,176.83 million). Further, pending the final assessment and determination of various claims received as stated in note 45(b), we are unable to comment on the adjustments that may be required in this regard, to the financial statements.	In accordance with the NCLAT order the Company has not accounted for interest on debt / dues to the creditors post the cut-off date of 15 October 2018 up to 31 March 2021. This will be accounted basis the approval of restructuring plan filed with Honorable NCLAT and the same is shown as contingent liability in the financial books. Claims management exercise has been initiated by the New Board for IL&FS and its group companies including ITPCL. The details in relation to the same are available on the website of IL&FS - www.ilfsindia.com . In this regard, the creditors' claims management is undertaken by Grant Thornton (GT), the claims management consultant. The Creditor claims in respect of IL&FS have been invited, verified and admitted by M/s Grant Thornton, with a cut-off date of October 15, 2018 in line with NCLAT directions. This claims management process duly records the nature of security charge specific to each creditor. Adjustments if any arising out of this exercise shall be carried out after final reconciliation.
d.	Note 46 to the financial statements. For the reasons stated in that note, the Group has not recorded the net difference of Rs 13,985.45 million (previous year – Rs. 5,949.28 million) between book balances and bank & financial institution balances, in respect of loans from banks and financial institutions. We are unable to comment on the consequential effects of the above, on the financial statements.	The difference represents additional / penal interest charged by various banks in the consortium, which is not payable by the Company as a consequence of the moratorium granted by Hon'ble NCLAT. Accordingly, the Company has not accepted / admitted the same. The differences shall be reconciled and adjusted in either of bank and company's books, post restructuring.
e.	Note 47, relating to the regulatory order for re-opening of books of accounts and re-casting of financial statements of certain group companies, and Note 48, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, whose possible consequential effects on the financial statements cannot be determined as of even date.	With regard to regulatory order for re- opening of books of accounts, re-casting of financial statements and the Forensic audit, as the process is ongoing the Board is unable to ascertain the impact at this stage.

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai



AASHISH KUMAR JAIN & ASSOCIATES
COMPANY SECRETARIES

NO 164, LINGHI CHETTY STREET
 2ND FLOOR, SINGAPORE PLAZA
 PARRYS, CHENNAI - 600 001

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FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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,
IL&FS TAMIL NADU POWER COMPANY LIMITED
 4th floor, KPR Tower, Old No. 21,
 New No. 2, 1st Street, Subba Rao Avenue,
 College Road, Chennai - 600006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IL&FS TAMIL NADU POWER COMPANY LIMITED** having CIN U72200TN2006PLC060330 (Hereinafter called **the Company**) for the financial year ended on 31st March 2021 (the "audit period").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- I. Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through data room and other records maintained by the Company;
- II. Our observations during our visits to the registered office of the Company;
- III. Compliance certificates confirming compliance with Corporate laws applicable to the Company given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Audit Committee/Board of Directors; and
- IV. Representations made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2021, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.



Aashish Kumar Jain
 Aashish Kumar Jain & Associates
 Company Secretaries

UDIN number F010666C001603928



This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

1. Compliance with specific statutory provisions

1.1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment; and
- (iii) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards).

1.2. The composition of Board of Directors of the Company as on March 31, 2021 was as follows:

DIN/PAN	Name of the Director	Designation	Date of Appointment
01602529	Malini Vijay Shankar	Nominee Director (nominated by Infrastructure Leasing and Financial Services Limited)	31/01/2020
08483345	Feby Koshy Bin Koshy	Director (Appointed as director in the AGM held on 23/12/2020)	02/12/2020
03500964	Neerav Yashwant Kapasi	Director (Appointed as director in the AGM held on 23/12/2020)	02/12/2020
07945707	Sanjeev Seth	Managing Director	25/01/2021

1.3. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the qualifications / non-compliances reported hereunder.

During the period of audit we noticed the following non-compliances under the Companies Act, 2013:

- i. Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to have at least two Independent Directors on the Board of the Company and



was required to fill any intermittent vacancy not later than immediate next Board meeting or three months from the date of such vacancy whichever is later. However, the Company could not comply with the same after the resignation of Independent Directors during the year 2019-20.

In this regard, as informed by the management we note that the National Company Law Tribunal has vide order dated April 26, 2019 granted dispensation from mandatory appointment of Independent and woman Directors in IL&FS and its Group Companies of which the Company is a part. However, the Company filled the vacancy of woman Director on the Board by appointing Dr. Malini Shankar on January 31, 2020

- ii. **Consequent to resignation of Independent directors as mentioned above the constitution of the Audit Committee and Nomination and Remuneration Committee was not in compliance with the Section 177 and 178 of the Companies Act, 2013 respectively.**

However, considering that the National Company Law Tribunal has vide order dated April 26, 2019 granted dispensation from mandatory appointment of Independent Directors in IL&FS and its Group Companies, the composition of the Audit Committee and Nomination & Remuneration Committee are in compliance with the provisions of the Companies Act, 2013.

We further report that:

As Informed by the company it has not serviced the interest and principal on the term loan and Working capital facilities and has not paid the interest on Non-Convertible Debentures. However, it has been informed that the same is in accordance with the Order received from Hon'ble NCLAT dated 15.10.2018 granting moratorium.

The shares held by AS Coal Resources Pte Ltd (representing 7.58% of the equity share capital), one of the Shareholders of the Company, have been attached by the Enforcement Directorate under the Prevention of Money Laundering Act. In view of the same, the said shares cannot be transferred or disposed-off by the said shareholder.

The Company has granted a loan to its wholly owned overseas subsidiary viz., ILFS Maritime Offshore Pte Ltd (IMOPL) which matured on 31 March 2019. Pursuant to the same, the said loan together with accrued interest is due for repayment by IMOPL. However as IMOPL does not have sufficient cash flow, the said loan has not been repaid by IMOPL to the Company and hence the said loan which has matured / become due could not be repatriated to India by the Company.

We further report that:



Adequate notice is given to the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, 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.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided by the Company, its officers and authorized representative during the conduct of the audit in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period we did not find any instances of:

1. Public /Rights /Preferential issue of shares, sweat equity, Debentures, etc.,
2. Redemption / buy back of securities
3. Foreign technical collaborations

Place: Chennai

Date: 30-11-2021

For Aashish Kumar Jain & Associates
Company Secretary in Practice



Aashish Kumar Jain

C.P.No. 7353

UDIN : F010666C001603928



ANNEXURE TO SECRETARIAL AUDIT REPORT

Our Secretarial Audit Report of even date is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all the applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc. We have also relied on the documents and evidences provided on email to us, in view of the prevailing pandemic situation of COVID-19.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date: 30-11-2021

For Aashish Kumar Jain & Associates
Company Secretary in Practice



Aashish Kumar Jain
Aashish Kumar Jain

C.P.No. 7353

UDIN : F010666C001603928

Annexure V

Explanation or comments by the Board of Directors on Qualification, Reservation or adverse remark or disclaimer made by Secretarial Auditors in their Secretarial Audit Report for the Financial Year ended on March 31, 2021:

S. No.	Qualifications	Explanation/Comments by the Board
1	<p>Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to have at least two Independent Directors and one Women Director on the Board of the Company and was required to fill any intermittent vacancy not later than immediate next Board meeting or three months from the date of such vacancy whichever is later. However, the Company could not comply with the same after the resignation of Independent Directors and Woman Director during the year 2019-20</p>	<p>The Hon'ble National Company Law Tribunal vide its Order dated October 1, 2018 suspended the erstwhile Board of IL&FS (the ultimate holding company of the Company) and appointed Government nominated directors to manage the affairs of IL&FS and its group companies of which the Company is a part.</p> <p>Given the situation the IL&FS Group was in, it was difficult to find eminent/suitable independent and women Director to fill the vacancy.</p> <p>Considering these difficulties the Hon'ble National Company Law Tribunal has vide Order dated April 26, 2019 granted dispensation for mandatory appointment of Independent and woman Directors in IL&FS and its Group Companies.</p> <p>However, the company filled the vacancy of woman Director on the Board by appointing Dr.Malini Vijay Shankar on January 31, 2020.</p>
2	<p>Consequent to resignation of Independent directors as mentioned above the constitution of the Audit Committee and Nomination and Remuneration Committee was not in compliance with the Section 177 and 178 of the Companies Act, 2013 respectively.</p>	<p>Because of inadequate number of Independent Directors on the Board of the Company since November 5, 2018, the constitution of Audit Committee and Nomination & Remuneration Committee was not in compliance with the Companies Act, 2013.</p>

		However, considering that the National Company Law Tribunal has vide order dated April 26, 2019 granted dispensation from mandatory appointment of Independent Directors in IL&FS and its Group Companies, the Audit Committee and Nomination & Remuneration Committee were reconstituted at the Board meeting held on 18.11.2019 and the composition of the said committees are in compliance with the provisions of the Companies Act, 2013 post the said reconstitution.
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By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

**Form No.
AOC - 2**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1 Details of contracts or arrangements or transactions not at arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis

2 Details of material contracts or arrangements or transactions at arm's length basis.

S. No.	Name of Related Party	Duration of the contracts / arrangements/ transactions	Nature of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	IL&FS Maritime Infrastructure Company Limited(Fellow Subsidiary)	Till June 23, 2021	Rental Income	Rs. 0.01 million per month Total amount of transaction during the year: .0.14 mn Total amount received during FY 2020-21: NIL	18.11.2019	-
2	Porto Novo Maritime Limited (Fellow Subsidiary)	Till June 23, 2021	Rental Income	Rs. 0.01 million per month Total amount of transaction during the year: .0.14 mn Total amount received during FY 2020-21: NIL	18.11.2019	-

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

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Date: 03.12.2021
Place: Mumbai

Annexure VII

Annual Report on Corporate Social Responsibility (CSR) Activities

[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. Brief outline on CSR Policy of the Company:

The Company's CSR Policy has been derived from the Parent Company's policy and designed with a belief that creating possibilities of economic inclusion powered by skilling and supporting livelihood creations, is the most effective way to manage challenges posed by poverty, inequality and unemployment in India. The CSR Policy of the Company is enclosed as Annexure A to this report

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Dr. Malini Vijay Shankar (Chairperson)	Nominee Director	1	1
ii.	Mr. Neerav Kapasi	Director	1	1
iii.	Mr. Feby Koshy Bin Koshy	Director	1	1

- 3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.itpclindia.com/investors.html>
- 4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not applicable**
- 5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Although the Company has spent in excess of the mandatory requirement under the Companies Act, 2013 the Company has not set-off any excess amount carried forward during the year under review**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set- off for the financial year, if any (in Rs.)
1	2019-20	1.093	NIL
2	2018-19	0.428	NIL
3	2017-18	1.457	NIL
	TOTAL	2.978	NIL

- 6 Average net profit of the company as per section 135(5). **NIL**
- 7 a) Two percent of average net profit of the company as per section 135(5) **NIL**
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **NIL**
- c) Amount required to be set off for the financial year, if any **NIL**
- d) Total CSR obligation for the financial year (7a+7b- 7c). **NIL**
- 8 a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of	Name of the	Amount	Date of
53,46,082	N.A.	N.A.	N.A.	N.A.	N.A.

- b) Details of CSR amount spent against **ongoing projects** for the financial year: **NIL**

c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State	District			Name.	CSR registration number
1.	Dredging and Maintenance of Pudhukuppam Fishing Creek	Clause (ii) – Livelihood enhancement project	Yes	Tamil Nadu	Cuddalore	50,36,082	Yes	Direct	
2.	Tailoring Training Institute for women	Clause (ii) – Promoting employment enhancing vocational skills	Yes	Tamil Nadu	Cuddalore	3,10,000	Yes	Direct	
TOTAL						53,46,082			

- (a) Amount spent in Administrative Overheads **NIL**
- (b) Amount spent on Impact Assessment, if applicable **Not Applicable**
- (c) Total amount spent for the Financial Year (8b+8c+8d+8e) **53,46,082**
- (d) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	53,46,082
(iii)	Excess amount spent for the financial year [(ii)-(i)]	53,46,082
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	53,46,082

9 (a) Details of Unspent CSR amount for the preceding three financial years:

NIL

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

- | | | |
|---------------|--|--|
| 10 | In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). | The Company has not created or acquired any Capital Asset during the Financial Year 2020-21 |
| a) | Date of creation or acquisition of the capital asset(s). | N.A. |
| b) | Amount of CSR spent for creation or acquisition of capital asset. | N.A. |
| c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc | N.A. |
| d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | N.A. |
|
11 |
Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). |
Not Applicable |

By Order of the Board of Directors

Dr. Malini Vijay Shankar
Chairperson of the
CSR committee
DIN: 01602529

Feby Koshy Bin Koshy
Director
DIN: 08483345

Neerav Yashwant Kapasi
Director
DIN: 03500964

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

Annexure A

Corporate Social Responsibility Policy

I. Preamble:

The ITPCL CSR policy is derived from IL&FS's policy and being designed with a belief that creating possibilities of economic inclusion powered by skilling and supporting livelihood creations, is the most effective way to manage challenges posed by poverty, inequality and unemployment in India

II. The CSR Vision:

The IL&FS Group strongly believes that the infrastructure we are building and financing today will shape the communities of tomorrow. Accordingly, IL&FS will endeavour to continually strengthen development multipliers of IL&FS Projects through supporting interventions which lead to a sustainable and inclusive growth.

This will primarily, entail, undertaking a variety of programs for enhancing economic activity and skilling, which will be supplemented with interventions to improve the quality of life of stakeholders in the project catchment areas. Employment and livelihood creation, Millennium Development Goals (MDG) and global concerns such as climate change will be considered as guides in setting up the CSR Projects. ITPCL, being group Company of IL&FS believes in up liftment of

standard of living of public around the project area at a large through improving the facilities like Health, education, infrastructure & employment.

III. The Focus areas of the CSR activities:

ITPCL's CSR activities will, inter-alia:

- (1) Support capacity building through skills based training programs with a focus on employment and entrepreneurship, functional literacy, financial literacy and inclusion
- (2) Follow a livelihood centred approach to holistic development of the target beneficiaries by undertaking context driven income generation activities
- (3) Support quality education including special education, and strengthening of education infrastructure
- (4) Support interventions in the area of healthcare and nutrition, safe and adequate drinking water, sports, environmental sustainability, ecological balance, natural resource protection and conservation disaster relief, any other form of rural development thereby enabling an improved quality of life and resource security in the

catchment areas of its infrastructure projects

- (5) Strengthen linkages of the community with existing government schemes and programs related to social infrastructure and help build and sustain community institutions
- (6) Conduct periodic impact assessment of the CSR projects
- (7) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act, 2013 to the extent applicable

IV. Effective Date:

This CSR policy shall be effective from April 1, 2014

V. Key Rules/ Guidelines for the CSR Expenditure:

- (1) The prescribed CSR spend, as indicated in Section 135 of the Companies Act, 2013 is 2% of the Average Profit Before Tax of the Company, duly adjusted for any dividend income received from Companies, and any profits from Overseas Branches. But during construction period, it shall be as per the amount stipulated by Government in clearances
- (2) The overall spend will be only on such interventions and programs whose impact are both meaningful and measurable

(3) The selected projects need to adhere to the following guidelines:

- (a) The Company will undertake CSR projects/programmes that are in conformity with Schedule VII of the Act;
- (b) CSR activities shall not include the activities undertaken in pursuance of normal course of business of the Company;
- (c) Any surplus arising out of any of the CSR activities / programmes shall not form part of the business profits of the Company;

(d) Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity;

(e) However, the Company may build CSR capacities of its own personnel as well as those of its Implementing agencies but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in any one financial year

VI. Disclosure of the Policy:

As per the Act, ITPCL is required to disclose the composition of CSR Committee and its CSR policy in the Company's Annual Report and on the website. Further, the details of the CSR activities and programme taken up during the year will also be disclosed.

Annexure VIII

Statement of particulars of employees pursuant to the provision of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time for the FY March 31, 2021

Part A - Top ten employees in terms of remuneration drawn:

S. No.	Name of employee	Age	Designation	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Previous employment	The percentage of equity shares held by the employee in the company
1.	N. Ramesh	55	Chief Executive Officer	123,28,397	Permanent	B.Com, ACMA / 37 Years	13-12-2007	Tamil Nadu Road Development Company (TNRDC)	0.00%
2.	N.K. Balaji	53	Senior Vice President - F & A	58,13,242	Permanent	B.Com, ACA, ACS / 30 Years	09-05-2014	Coastal Energy Private Ltd.	0.00%
3.	K.R. Murugan	52	Senior General Manager - Mechanical	51,67,401	Permanent	BE / 30 Years	04-09-2013	GMR Energy Ltd.	0.00%

4.	*Ramachandra V. Bhat	59	Head - Operational Efficiency	43,75,214	Permanent	AMIE / 37 Years	29-12-2017	Coastal Energy Private Ltd.	0.00%
5.	S Gagan	54	Senior General Manager	34,94,350	Permanent	BE / 31 Years	12-10-2016	Fitchner Consulting Engineers (I) Pvt. Ltd.	0.00%
6.	B. Parivendhan	57	General Manager - Civil	31,54,978	Permanent	BE / 37 Years	22-07-2013	Sindya Power Generating Company Pvt. Ltd.	0.00%
7.	B. Barathan	40	Assistant General Manager - O & E	30,61,970	Permanent	BE / 16 Years	12-06-2015	Adani Power Limited	0.00%
8.	K. Balamurugan	47	General Manager - E & I	30,47,412	Permanent	BE / 24 Years	11-09-2013	Udupi Power Corporation Ltd.	0.00%
9.	K. Raghuraman	49	Deputy General Manager - F&A	29,81,811	Permanent	I CWA & 25 Years	14-09-2015	Coal and Oil Group	0.00%
10.	R. Kamalakannan	42	General Manager - Power Sales	28,51,466	Permanent	BE / 20 Years	04-05-2015	Emco Energy Limited	0.00%

Notes:

1. Remuneration includes basic salary, allowances, taxable value of perquisites, the Company's contribution to Provident Fund and Superannuation funds etc.
2. No employee mentioned above is related to any Director of the Company
*From April 2020 to August 2020

Part B - Employed throughout the Financial year under review and were in receipt of remuneration in aggregate of not less than Rs. 1,02,00,000/- per annum

S. No.	Name of employee	Age	Designation	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Previous employment	The percentage of equity shares held by the employee in the company
1.	N. Ramesh	55	Chief Executive Officer	123,28,397	Permanent	B.Com, ACMA / 37 Years	13-12-2007	Tamil Nadu Road Development Company (TNRDC)	0.00%

Notes:

1. Remuneration includes basic salary, allowances, taxable value of perquisites, the Company's contribution to Provident Fund and Superannuation funds etc.
2. No employee mentioned above is related to any Director of the Company

Part C - Employed for a part of the financial year under review and were in receipt of remuneration in aggregate of not less than Rs. 850,000/- per month

S. No.	Name of employee	Age	Designation	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Previous employment	The percentage of equity shares held by the employee in the company
-		-	-	-	-	-	-	-	-

By the Order of Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Date: 03.12.2021
Place: Chennai

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Date: 03.12.2021
Place: Chennai

Neerav Yashwant Kapasi
Director
DIN: 03500964

Date: 03.12.2021
Place: Mumbai

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Mumbai

Annexure IX

Form No. MGT – 9
Extract of Annual Return
as on the Financial Year ended on March 31, 2021

[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:

1.	CIN	U72200TN2006PLC060330
2.	Registration date	June 26, 2006
3.	Name of the Company	IL&FS TAMIL NADU POWER COMPANY LIMITED
4.	Category / Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & Contact details	4 th Floor, Old No. 21, New No. 2, 1 st Street, Subba Rao Avenue, College Road, Chennai 600 006 Tel No: 044 - 61725550 Website: http://www.itpclindia.com
6.	Whether listed Company (Yes / No)	No
7.	Name, address & contact details of the Share transfer agent, if any	Link Intime India Private Limited C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: 022 49186000

II. Principal business activities of the Company:

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

S.No	Name and description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Electric Power Generation, transmission and distribution	3510	90.06

III. Particulars of Holding, Subsidiary and Associate Companies:

S.No	Name of the Company	Country	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held as at March 31, 2021	Applicable section
1	IL&FS Energy Development Company Limited	India	U40300DL2007PLC163679	Holding	80.32%	2(46)
2	ILFS Maritime Offshore Pte Ltd	Singapore	Foreign Company (Reg. No. 200715911W)	Subsidiary	100%	2(87)(ii)
3	IL&FS Offshore Natural Resources Pte Ltd	Singapore	Foreign Company (Reg. No. 200818793E)	Step-down Subsidiary	100%	Explanation (a) to Sec. 2(87)
4	PT Bangun Asia Persada	Indonesia	Foreign Company	Step-down Subsidiary	100%	Explanation (a) to Sec. 2(87)
5	PT Mantimin Coal Mining	Indonesia	Foreign Company	Step-down Subsidiary	95%	Explanation (a) to Sec. 2(87)
6	Se7en Factor Corporation	Seychelles	Foreign Company (Reg. No. 022712)	Step-down Subsidiary	100%	Explanation (a) to Sec. 2(87)
7	Cuddalore Solar Power Private Limited	India	U40300MH2012PTC237302	Joint Venture	26%	2(6)

IV. Shareholding Pattern (Equity share capital breakup as percentage of Total equity):

i) Category-wise share holding

Shareholding pattern (Category wise)									
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	185035502	6	185035508	92.42	185035502	6	185035508	92.42	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	185035502	6	185035508	92.42	185035502	6	185035508	92.42	-
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)	-	-	-	-	-	-	-	-	-
Subtotal B(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp									
a) Indian	-	-	-	-	-	-	-	-	-
b) Overseas	15172256	0	15172256	7.58	15172256	0	15172256	7.58	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholding holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	0	0	0	0	0	0	0	0	-
Sub-total B(2)	15172256	0	15172256	7.58	15172256	0	15172256	7.58	-
Total public shareholding									
(B) = (B)(1) + (B)(2)	15172256	0	15172256	7.58	15172256	0	15172256	7.58	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A) + (B) + (C)	200207758	6	200207764	100.00	200207758	6	200207764	100.00	

ii) Shareholding of Promoters:

S.No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the year			% change in shareholding during the Year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	IL&FS Energy Development Company Ltd	160797509 ¹	80.32	0	160797509 ¹	80.32	0	0
2	Infrastructure Leasing and Financial Services Limited	24237999	12.11	0	24237999	12.11	0	0
	Total	185035508	92.42	0	185035508	92.42	0	0

¹includes 6 equity shares held jointly with Mr. N Ramesh, Mr. Akhil Agarwal, Mr. Haziq Beg, Mr. N K Balaji, Ms. Priya Iyer and Mr. S Arun Kumar respectively

iii) **Change in Promoters' shareholding:**

Name of the Shareholder	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
IL&FS Energy Development Company Limited (IEDCL)				
At the beginning of the year	160797509	80.32		
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	160797509	80.32
At the end of the year			160797509	80.32
Infrastructure Leasing & Financial Services Limited (IL&FS)				
At the beginning of the year	24237999	12.11		
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	24237999	12.11
At the end of the year			24237999	12.11

iv) **Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No	Name of the Shareholder	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
1	A S Coal Resources Pte Ltd				
	At the beginning of the year	15172256	7.58		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	15172256	7.58

	At the end of the year (or on the date of separation, if separated during the year)			15172256	7.58
--	---	--	--	----------	------

v) **Shareholding of Directors and Key Managerial Personnel**

S.No	Name of the Director/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
1	Mr. Vineet Nayyar (resigned w.e.f. November 1, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
2	Mr. Natarajan Srinivasan (ceased to be a Director w.e.f. December 23, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
3	Mr. Ashwani Kumar (resigned w.e.f. October 15, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-

4	Mr. Maharudra M Wagle (resigned w.e.f. August 17, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
5	Dr. Malini Vijay Shankar				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
6	Mr. Velliangiri Arunachalam (ceased to be a Director w.e.f. December 23, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
7	Mr. Neerav Yashwant Kapasi (appointed w.e.f. December 2, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-

8	Mr. Feby Koshy Bin Koshy (appointed w.e.f. December 2, 2020)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
9	Mr. Sanjeev Seth (appointed w.e.f. January 25, 2021)				
	At the beginning of the year	-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year			-	-
10	Mr. N Ramesh (jointly with IL&FS Energy Development Co Ltd) (ceased to be a KMP w.e.f. January 25, 2021)				
	At the beginning of the year	1	0.00		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	1	0.00
	At the end of the year			1	0.00
11	Mr. N K Balaji (jointly with IL&FS Energy Development Co Ltd) (resigned w.e.f. March 31, 2021)				
	At the beginning of the year	1	0.00		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	1	0.00
	At the end of the year			1	0.00

IL&FS Tamil Nadu Power Company Limited

12	Ms. Priya Iyer (jointly with IL&FS Energy Development Co Ltd) (resigned w.e.f. August 13, 2021)				
	At the beginning of the year	1	0.00		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	1	0.00
	At the end of the year			1	0.00

V. Indebtedness:

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

(Rs. million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial Year				
a) Principal Amount	64,041.03	6,326.36	-	70,367.39
b) Interest due but not paid	-	-	-	-
c) Interest accrued but not due	87.31	1,353.32	-	1,440.63
Total (a)+(b)+(c)	64,128.34	7,679.68	-	71,808.02
Change in indebtedness during the Financial Year				
Principal Amount:				
- Addition	5.09	-	-	5.09
- Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the Financial Year	5.09	-	-	5.09
a) Principal Amount	64,046.12	6,326.36	-	70,372.48
b) Interest due but not paid	-	-	-	-
c) Interest accrued but not due	87.31	1,353.32	-	1,440.63
Total (a)+(b)+(c)	64,133.43	7,679.68	-	71813.11

VI. Remuneration of Directors and Key Managerial Personnel:

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

		(Rs.)	
Sl. No	Particulars of Remuneration	Name of MD (Mr. Sanjeev Seth) (Jan 2021 – Mar 2021)	Total Amount
1	Gross salary		
	(a) Salary as per provisions in Section 17(1) of the Income Tax Act, 1961	23,80,526	23,80,526
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- As % of profit	-	-
	- Others		
5	Others (sitting fees)	-	-
	Total (A)	23,80,526	23,80,526

B. Remuneration to other Directors:

S.No	Particulars of remuneration	Name of Directors								Rs.
										Total amount
1	<u>Independent Directors</u>	-	-	-	-	-	-	-	-	-
	- Fee for attending Board, Committee Meetings	-	-	-	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-
2	<u>Other non-executive Directors</u>	Vineet Nayyar	N Srinivasan	Maharudra M Wagle	Ashwani Kumar	Malini V Shankar	A Velliangiri	Neerav Yashwant Kapasi	Feby Koshy Bin Koshy	
	- Fee for attending board meetings	-	95,000	40,000	35,000	125,000	105,000	-	90,000	490,000
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-

	Total (2)	-	95,000	40,000	35,000	125,000	105,000	-	90,000	490,000
	Total (B) = (1) + (2)	-	95,000	40,000	35,000	125,000	105,000	-	90,000	490,000
	Total managerial remuneration									
	Overall ceiling as per the Act									

Note: Mr. Vineet Nayyar and Mr. Neerav Kapasi have waived their right to receive sitting fees for the meetings attended by them. Hence, no sitting fees was paid to Mr. Vineet Nayyar and Mr. Neerav Kapasi for the Board & Committee meetings attended by them.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs.)

S.No	Particulars of remuneration	Mr. N Ramesh CEO	Mr. N K Balaji, CFO	Ms. Priya Iyer, Company Secretary	Total amount
1	Gross salary				
	(a) Salary as per provisions in Section 17(1) of the Income Tax Act, 1961	123,28,397	58,13,242	8,50,632	189,92,271
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of profit	-	-	-	-
	- Others	-	-	-	-
5	Others	-	-	-	-
	Total	123,28,397	58,13,242	8,50,632	189,92,271

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2021

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company believes in adhering to good Corporate Governance practices in letter and spirit for achieving the highest level of transparency and accountability towards the stakeholders of the Company.

Composition of the Board:

As of March 31, 2021, the Board consisted of 4 (four) Directors comprising one Executive and three Non-Executive Directors as under:

SN	Name of the Director	Designation
1	Mr. Sanjeev Seth	Managing Director
2	Dr. Malini Vijay Shankar	Nominee Director
3	Mr. Neerav Yashwant Kapasi	Director
4	Mr. Feby Kosy Bin Koshy	Director

The Hon'ble National Company Law Tribunal by Order dated April 26, 2019 has granted dispensation with respect to mandatory appointment of Independent Directors and woman director in IL&FS and its Group Companies.

During the year, the following changes took place in the Board of Directors of the Company:

Name	Designation	Appointment /Resignation/Change in designation
Mr. Ashwani Kumar	Nominee Director	Appointed w.e.f. 18.05.2020 and resigned w.e.f. 15.10.2020
Mr. Velliangiri Arunachalam	Additional Director (Independent)	Appointed w.e.f. 18.05.2020 and ceased to be a Director w.e.f. 23.12.2020
Mr. Maharudra M Wagle	Non-Executive Director	Resigned w.e.f. 17.08.2020
Mr. Vineet Nayyar	Nominee Director	Resigned w.e.f. 01.11.2020
Mr. Neerav Yashwant Kapasi	Director	Appointed as Additional Director w.e.f. 02.12.2020 and change in designation to Director w.e.f. 23.12.2020
Mr. Feby Koshy Bin Koshy	Director	Appointed as Additional Director w.e.f. 02.12.2020 and change in designation to Director w.e.f. 23.12.2020
Mr. Natarajan Srinivasan	Nominee Director	Ceased to be a Director w.e.f. 23.12.2020
Mr. Sanjeev Seth	Managing Director	Appointed w.e.f. 25.01.2021

Meetings of the Board:

During the Financial Year 2020-21, the Board of Directors met 7 times on the following dates viz., May 18, 2020, June

29, 2020, October 21, 2020, December 5, 2020, December 28, 2020, January 22, 2021 and March 22, 2021. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during FY 2020-21 along with the number of directorships held by them in other Companies as on March 31, 2021 are given below:

S N	Name of the Director	Category	Number of Board Meetings		Whether present at the previous AGM	Number of Directorships in other Companies [#]
			entitled to attend	attended		
1	Mr. Vineet Nayyar	Nominee Director	3	2	NA	NA
2	Mr. Natarajan Srinivasan	Nominee Director	4	4	Yes	NA
3	Mr. Maharudra Wagle	Non-Executive Director	2	2	NA	NA
4	Dr. Malini Vijay Shankar	Nominee Director	7	7	Yes	
5	Mr. Ashwani Kumar	Nominee Director	2	2	NA	NA
6	Mr. Velliangiri Arunachalam	Additional Director (Independent)	4	4	No	NA
7	Mr. Neerav Yashwant Kapasi	Director	4	4	Yes	
8	Mr. Feby Koshy Bin Koshy	Director	4	4	Yes	
9	Mr. Sanjeev Seth	Managing Director	1	1	NA	

Excludes Directorship in Foreign Companies

Separate Meeting of Independent Directors:

The Hon'ble National Company Law Tribunal by Order dated April 26, 2019 has granted dispensation with respect to mandatory appointment of Independent Directors in IL&FS and its Group Companies.

During the year only one Independent Director was appointed i.e. Mr. Velliangiri Arunachalam, Additional Director

(Independent) whose term of office expired on December 23, 2020.

Hence, convening of separate meeting of Independent Directors was not applicable.

Committees of the Board:

The Company's Board had formed the following Committees:

1. Audit Committee

2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Risk Management Committee (dissolved w.e.f.22.03.2021)

The Board at the time of constitution of each committee fixes the terms of reference for the Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all the Committees are circulated to the Board for its information.

The Quorum for meetings of all the above referred Committees is two members.

A. Audit Committee

Composition:

The Audit Committee comprised the following 3 (three) Directors as on March 31, 2021:

- Mr. Neerav Kapasi (Chairman)
- Mr. Feby Koshy Bin Koshy
- Mr. Sanjeev Seth

Terms of Reference:

The terms of reference of the Audit Committee include:

- a) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) Examination of the financial statement and the auditors' report thereon;

- d) Approval or any subsequent modification of transactions of the Company with related parties;
- e) Scrutiny of inter-corporate loans and investments;
- f) Valuation of undertakings or assets of the Company, wherever it is necessary;
- g) Evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raised through public offers and related matters.

Meetings:

Five Audit Committee meetings were held during the year on the following dates viz., 08.04.2020, 19.09.2020, 21.10.2020, 05.12.2020 and 23.12.2020

The details of the meetings attended by the members of the Committee during Financial Year 2020-21 was as under:

S No	Name of the Member	No of meetings	
		entitled to attend	Attended
1	Mr. Vineet Nayyar	3	1
2	Mr. N Srinivasan	3	3
3	Mr. Maharudra M Wagle	1	0
4	Mr. A Velliangiri	4	4
5	Neerav Kapasi	2	2
6	Feby Koshy	2	2
7	Sanjeev Seth	0	0

The necessary quorum was present for all the meetings.

The Company Secretary acts as Secretary to the Audit Committee

The Statutory Auditors have attended the Audit Committee Meeting where the financials results/audit reports were discussed.

B. Nomination and Remuneration Committee

Composition:

The Nomination & Remuneration Committee comprised the following 3 (three) Directors as on March 31, 2021:

- Dr. Malini Vijay Shankar (Chairperson)
- Mr. Neerav Kapasi
- Mr. Feby Koshy Bin Koshy

Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee include:

- a. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal
- b. Carrying out evaluation of every Director's performance
- c. To determine and recommend to the Board the remuneration payable to the Directors

- d. To review and approve the Human Resources Policies of the Company and to oversee the Human resources strategy

The Company has adopted a policy on remuneration of Directors. This policy was approved by the Nomination & Remuneration Committee and the Board.

Meetings:

The Committee met thrice during the year on the following dates viz. 18.05.2020, 22.01.2021 and 22.03.2021

The details of the meetings attended by the members of the Committee during Financial Year 2020-21 was as under:

S No	Name of the Member	No of meetings	
		entitled to attend	Attended
1	Mr. Vineet Nayyar	1	1
2	Mr. N Srinivasan	1	1
3	Mr. Maharudra M Wagle	1	1
4	Dr. Malini Vijay Shankar	2	2
5	Mr. Neerav Kapasi	2	2
6	Mr. Feby Koshy Bin Koshy	2	2

The Company Secretary is the Secretary to the Nomination and Remuneration Committee.

C. Corporate Social Responsibility (CSR) Committee

The Board of Directors has constituted a Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014

The Corporate Social Responsibility Committee comprised the following 3 (three) Directors as on March 31, 2021:

- Dr. Malini Vijay Shankar (Chairperson)
- Mr. Neerav Kapasi
- Mr. Feby Koshy

The terms of reference of the Corporate Social Responsibility Committee include:

- (i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy, framework, which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (ii) To recommend the amount of expenditure to be incurred on the activities referred to above;
- (iii) To monitor the Corporate Social Responsibility Policy of the company from time to time

The Committee met once during the year on May 26, 2020.

The attendance of the Directors at the meeting was as under:

S No	Name of the Member	No of meetings	
		entitled to attend	Attended
1	Mr. Vineet Nayyar	1	1
2	Dr. Malini V Shankar	1	1
3	Mr. Maharudra M Wagle	1	1

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2021 is attached as **Annexure VII** to the Board's Report.

D. Risk Management Committee

The Board of Directors had constituted a Risk Management Committee for monitoring the Risk Management Framework and to assist the Board in overseeing Company's risk management policies and processes (including processes for monitoring and mitigating such risks) and the Company's exposure to unmitigated risks.

However, the Board at its meeting held on March 22, 2021 considered that as per the Companies Act, 2013, the Company was not mandatorily required to constitute the Risk Management Committee. Hence, it was decided to dissolve the Risk Management Committee for the time being till the completion of restructuring process or until otherwise decided by the Board, subject to constitution of an Internal Committee for monitoring the Risk Management Framework.

Hence, the Committee was dissolved w.e.f. March 22, 2021

The Committee met once during the year on May 25, 2020.

The attendance of the Directors at the meeting was as under:

S No	Name of the Member	No of meetings	
		entitled to attend	Attended
1	Dr. Malini V Shankar	1	1
2	Mr. Ashwani Kumar	1	1
3	Mr. A Velliangiri	1	1

Other Committees:

D. Internal Complaints Committee

In accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has adopted the Internal Complaints Committee constituted by IL&FS, since the Company does not have sufficient women employees at the senior level who could be nominated as the Presiding Officer and / or members of the Internal Complaints Committee (ICC).

The Company is bound by the Policy formulated by the aforementioned Committee and employees shall refer any complaint that may arise in the workplace to the abovementioned Committee. There

was no complaint received during the year. The Company has created awareness among the employees about the provisions of the said Act and also conducted gender sensitization workshops for all employees.

E. Hedging Monitoring Committee

The Company has constituted Hedging Monitoring Committee comprising of Senior Executives to decide, negotiate and finalize the hedging strategies for managing the Coal Price risk faced by the Company.

F. Management Committee for O&M contracts

The Company has constituted Management Committee consisting of Senior Executives of the Company to oversee the renewal of existing contract related to Operation and Maintenance of the Power Plant or award of fresh O&M contracts as and when the O&M contracts are about to expire.

G. Management Risk Committee

The Company has constituted a Risk Committee to constantly assess the risk associated with the business and operations of the Company including but not limited to changes in policy, rules and regulations, etc., and take remedial measures to mitigate the same.

Details of Remuneration paid to Executive & Non-Executive Directors during 2020-21

These details are provided in **Annexure IX**, the extract of the Annual Return, annexed to the Board' Report in Form MGT – 9.

Stock Options to Executive Directors

No Stock options have been granted to any of the Executive Directors during the Financial Year 2020-21.

Subsidiaries

The Company has five subsidiaries as at the financial year ended 31st March 2021 namely ILFS Maritime Offshore Pte Ltd

(IMOL), IL&S Offshore Natural Resources Pte Ltd., (IONRPL), PT Bangun Asia Persada (PT BAP), PT Mantimin Coal Mining (PT MCM) and Seven Factor Corporation (SFC).

The Consolidated financial statement prepared in accordance with "Ind AS" is made part of the Annual Report. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2021 is included in the annual report. The audited annual accounts and related information of the subsidiaries, where applicable, will be made available upon request. These documents will also be made available for inspection during business hours at the registered office of the Company.

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

Management Discussion and Analysis Report

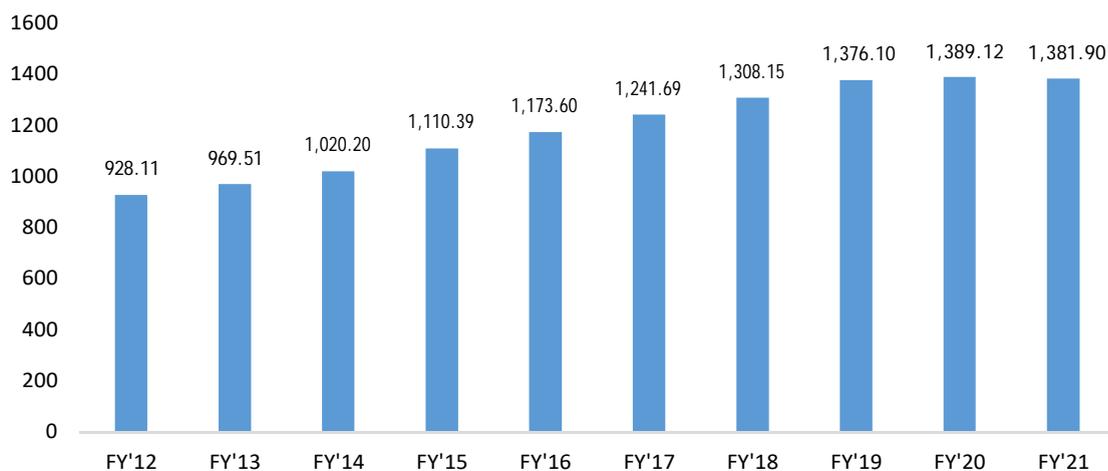
A. Industry Overview

The Indian power sector has undergone a significant transformation in terms of power supply, energy demand, fuel mix and market operations. India is the third-largest power generating country in the world after China and United States of America. The Power sector in India is characterized by its diversified fuel sources, which consist of environmentally sustainable sources such as solar, wind and hydro plants, along with conventional sources like coal, oil, and gas.

The thermal power continues to be the predominant source accounting for about 61% of installed capacity. Renewable energy is the second-leading energy source in India, accounting for about 25% of the total installed capacity in India in FY 2021. The Indian government's ambitious target of installing 175 GW of renewable energy capacity coupled with the establishment of solar parks and the solar city program propelled the growth of clean energy in India.

Total installed capacity of power stations in India stood at 386.88 Gigawatt (GW) as of July 2021. The conventional generation during 2020-21 was 1234.61 BU as compared to 1250.78 BU generated during 2019-20, representing a negative growth of about 1.29%. The annual electricity generation in the Country during the last 10 years is given below.

Electricity Generation in India including Renewables
(in Bn Units)



The average PLF of coal and lignite based power plants in the country during FY'20-21 was 53.37%.

B. Market Outlook

Increasing demand from the industrial and domestic sectors have been the major driving factor for the growth of the Indian power sector. The industrial sector in India expanded significantly over the past few years and has been the largest power consumer in India. On the other hand, the consumption from the domestic sector has also increased at a fast pace during the last decade. Improvements in access to electricity and a surge in the sale of white goods, have driven demand from the domestic sector. Furthermore, supportive government policies such as UDAY 2.0, 24x7 - Power for All, SAUBHAGYA, UJALA Scheme, Green Energy Corridor, and vehicle electrification have helped to boost the Indian power sector.

However, the growth momentum of the Indian power sector has been hindered by the pandemic and the resultant lockdown measures during FY 2020-21. The shutdown of industrial activities as an effect of the lockdown, led to a fall in power consumption in the industrial and commercial sectors during FY 2020-21. The decline in demand, coupled with a liquidity crunch, has effected the financials of power generating and power distribution companies.

In order to revive the economy, the Government of India has provided stimulus packages for boosting the industrial activity in the country which includes infusion of liquidity into the system. As part of this, the DISCOMs have been provided with soft loan from PFC / REC to settle the outstanding dues of the IPPs and to overcome the liquidity issues. Further to this, the Company has collected about Rs. 847 crores in Tranche I of the scheme and expects to receive further collection in the next Tranche. This is expected to further improve the cash flow position of the Company. Government of India has also revived Distribution Reforms by privatization of DISCOMs in the Union Territory which falls under the Central Government as a first step Distribution of Chandigarh and Daman, Diu, Dadra & Nagar Haveli are in the process of privatization. Government of India has circulated a draft of Amendments of Electricity Act, 2003. Ministry of Power has taken several initiatives for reducing the outstanding of GENCO like it making it mandatory to maintain LC prior to start of supply as well as strengthening the payment security mechanism through regulation of power supply etc.

The unprecedented impact of the pandemic has also highlighted the need for structural changes in the industry. The lessons learned from the crisis are expected to usher in better policy reforms. This is already evident in the Government's action to bring in policy reforms to improve the financial position of the DISCOMs and generating companies. A case in point is the proposed amendment to the Electricity (Late Payment Surcharge) Rules which provides the Generating companies the right to suspend supply and continue claiming capacity charges if the tariff invoices are not settled within 7 months from the date they are due. This is in addition to the payment security mechanism provided by the DISCOMs under the PPA as per the directions of MoP. All these usher that the steps in the right direction on the policy front are being taken to improve the thermal power sector.

Also as the economic activity picks up post the pandemic, the same is likely to result in increased power demand. Further, with the governments focus being towards supporting environmentally compliant thermal power plants and to phase out older power plants, the same would turn out positive for Power Plant's like ITPCL which have already installed Flue Gas De-sulphurisation system (FGD) and are compliant with the new emission norms prescribed by the MoEF&CC.

C. Company Overview and Performance

C.1 Overview

Your Company is a Special Purpose Vehicle incorporated by IL&FS Group under the energy platform (viz., IEDCL) for implementation of the Thermal Power Project ("Project") at Cuddalore in Tamil Nadu.

Phase I of the project for 1200 MW comprising 2 units of 600 MW each is operational since September 2015. The Company has a long-term Power Purchase Agreement with TANGEDCO for 540 MW. The medium-term PPA with PTC India for 550 MW is valid till March 2022. The power plant has flue gas desulphurization system for washing the Sulphur from the flue gas.

Although the Company had planned to set up 3180 MW thermal power capacity and had all the requisite approvals and land, the expansion plans have been shelved for the time being given the uncertainties. In relation to the Environment Clearance for 3,180 MW which was valid till May 31, 2021, the Company has written to MoEF&CC informing them of the current status of the Company and that a proposal for extension of Environment Clearance for expansion of the power plant capacity to 3180 MW would be submitted at an appropriate time, if required.

Phase I of the project has been funded by a combination of Debt and Equity. The Debt has been funded by a consortium of banks and financial institutions led by Punjab National Bank. The Consent to Operate for Phase I of 1200 MW is valid up to March 31, 2022 and would be renewed thereafter.

The Board of Directors of your Company's parent company (i.e. IL&FS) has been superseded by a new set of Directors appointed by the Government of India. Given that most of the companies in the IL&FS group are unable to meet their liabilities, the Board of IL&FS under the guidance of the Ministry of Corporate Affairs is in the process of putting-up a resolution plan for all the companies which are part of the IL&FS group and the matter is currently pending before the Hon'ble National Company Law Appellate Tribunal ("NCLAT"). In this regard, the NCLAT has ordered a moratorium in respect of all the companies in the IL&FS group vide its order dated 15th October 2018. Further, the Hon'ble NCLAT has by its order dated October 15, 2018 *inter alia* restrained any party from instituting and/or continuing suits and/or other legal proceedings against all companies in the IL&FS group.

As part of this process, the various companies in the IL&FS Group have been classified according to their ability to meet payment obligations. Companies that could meet all payment obligations have been categorized as “Green”, while those that could only meet operational payments and senior secured debt obligations are in the “Amber” category. The Companies that are unable to fully meet operational payments and senior secured debt obligations are categorized as “Red”.

Your Company has been categorized as Amber and has not been servicing interest and principal on Term Loan to the senior secured lenders and other debt obligations since November 01, 2018.

Given the above situation, the banks have restricted the usage of the working capital limits including the limits of Letters of Credit which were used for procurement of coal. As a result, your Company is reliant only on collections from sale of power for its operations including procurement of coal.

Further as part of the Resolution Plan for the IL&FS group, your Company along with the lenders has formulated a debt restructuring plan which has been approved by all senior secured lenders of the Company. IL&FS has filed an application before the Hon'ble National Company Law Appellate Tribunal seeking its approval for the debt restructuring plan of the Company. The Company expects to implement the debt restructuring during FY'21-22.

Your Company has put in place robust systems, processes and standards and has implemented Integrated Management System (ISO 9001:2015 - Quality Management System Standard, ISO 14001:2015 - Environmental Management System Standard and ISO 45001:2018 - Occupational Health and Safety Management System Standard). Your Company recently got itself re-certified under the above standards and the certification is valid till May 2024.

C.2 Sustainability

Your Company's power project is based on environmentally sustainable technology and Phase I is based on imported coal that has lesser ash and sulphur content. The Company's power plant has its own captive desalination plant and uses sea water to meet its water requirements and does not add pressure on inland fresh water resources of the State. The power plant has incorporated many features supporting the Green Initiatives including Energy Efficiency and Pollution Prevention & Control measures.

The Boilers are designed with Low NOx burners to control the NOx emissions. Each unit is provided with efficient Electrostatic Precipitators (ESP) to control the Particulate Matter. Phase I (2 x 600 MW) has been provided with Flue Gas De-sulphurisation (FGD) system to capture more

IL&FS Tamil Nadu Power Company Limited
than 95% of the sulphur from the flue gas so as to reduce the Sulphur Emission. The flue gas is let out from a Chimney of 275 metres height.

The entire coal yard is protected by Wind Barrier for a height of 15 metres on all four sides to ensure that dust does not get carried to the surrounding areas. Further, the coal yard has been provided with water sprinklers to control the fugitive dust emissions and all the transfer towers in the coal conveying system are provided with both Dust Suppression and Dust Extraction systems.

Your Company has installed Roof top solar plant of 151 KW in the parking shed which is meeting the power requirement of Service building and Stores building. Roof Top Solar Power generated in FY'2020–21 was 213190 KWh.

Your Company has tied up with the various cement plants nearby for the disposal of the entire Fly Ash and Gypsum generated by the power plant and 100% disposal is ensured.

Your Company has also developed green belt in about 251 acres and planted about 280,313 saplings. Over the years, the Company has been able to achieve a survival rate of 91% which is quite high for this region.

C.3 CSR Initiatives

Although the Company is not required to mandatorily spend on CSR activities under Section 135 of the Companies Act, 2013 due to losses during the past years, the Company has been undertaking a range of CSR activities in the villages around the Power Plant to continue getting support from the community near the power plant. During FY 2020-21, the Company has spent about Rs. 0.53 crores towards CSR activities. The detailed annual report on CSR activities for FY2020-21 is attached as an Annexure to the Directors Report.

C.4 Awards and Recognitions

Your Company has been awarded the National Energy Conservation Award for the year 2020 for Energy Conservation in Thermal Power Plant Sector by the Ministry of Power, Government of India.

Your Company has also been awarded the Top Importer for the year 2020 by the Customs Department, Trichy Division for import of Coal.

C.5 Plant Operations

The entire Control Room of the power plant is operated and managed directly by the Company. The operations of the plant is continuously being improved with improvement in plant efficiency (Heat Rate), reduction in tripping, increase in availability of the plant, etc. Your Company has also been adopting best practices in the industry in predictive and preventive

maintenance and as a result, the technical plant availability is about 90%. Efforts are constantly being made to further improve the efficiency of the plant particularly during operation at part load.

A separate department named Operational Efficiency dedicatedly monitors and suggests changes in the operation and maintenance practices for improving operational efficiency of the Power Plant. Also, only coal which meet the technical requirements of the plant is procured to ensure optimum performance of the plant. All these efforts have resulted in improvement in the average heat rate of the station.

Your Company has also adopted various energy conservation measures and as a result, the auxiliary power consumption is well below the design.

Your Company has been constantly taking efforts to develop the spares indigenously so as to reduce the reliance on imports.

The O&M contracts are based on functional guarantees with appropriate liquidated damages. The performance of the O&M contractors are reviewed periodically.

C.6 Operational and Financial Performance

The total units generated during FY'21 was 4819 million compared to 7238 million during FY'20. The Plant Load Factor (PLF) was about 45.8% during FY'21 compared to about 68.7% during FY'20. The technical plant availability during FY'21 was about 89.8%.

During FY 2021, the availability declared under the long-term PPA with TANGEDCO was 87.8% as against the Normative Availability requirement of 85%. The off-take from TANGEDCO under the PPA during the year ended March 31, 2021 was about 66.6%, being about 3173 mn units.

The Company operationalized the medium-term PPA w.e.f. April 1, 2019. A total of about 1210 mn units were sold to PTC India. As per the terms of medium-term PPA, PTC India is obligated to off-take 55% of the available capacity on monthly basis. Towards this, Company has claimed compensation for lower off-take of 1019 mn units during September 2020 to January 2021 of Rs. 146.61 crores. In addition, about 104 mn units were sold on the Power Exchange during FY'2020-21.

The revenue from Operations on standalone basis during FY 2020-21 was Rs. 2,789.05 crores compared to Rs. 3,432.66 crores during FY 2019-20. Other income on a standalone basis for the year was Rs. 37.07 crores which included interest income of Rs. 28.04 crores, foreign exchange gain of Rs. 6.86 crores and misc. income of Rs. 2.17 crores.

The Company has created provision for doubtful debts of Rs. 124.30 crores during FY'20-21 in respect of the late payment surcharge due to the delay in realization of the same. The same would be accounted on receipt basis.

The Company has also created provision for impairment of Property plant and equipment, financial assets and capital WIP and other onetime expenses aggregating to Rs. 959.15 crores.

The Earnings Before Interest, Depreciation and Tax (before impairment loss & onetime expenses) was Rs. 1,358.89 crores during FY'20-21 compared to Rs. 1,165.52 crores during FY'19-20.

During FY'20-21, the Company has earned profit before tax of Rs. 186.16 crores compared to Rs. 867.58 crores during FY'20.

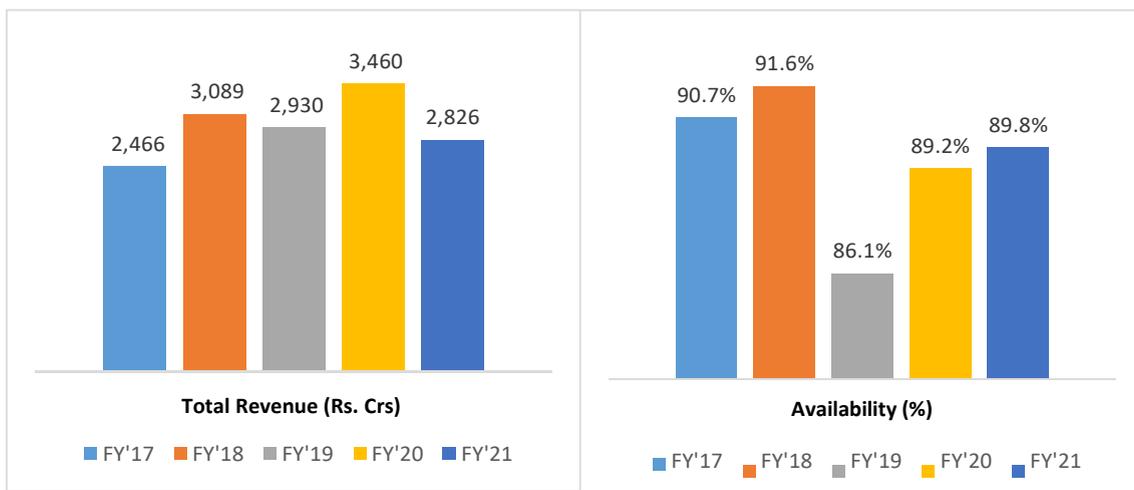
As per the NCLAT Order, the Company has not accrued any interest on debt.

The Company generated net cash and cash equivalents of Rs. 1,406.50 crores during FY'20-21.

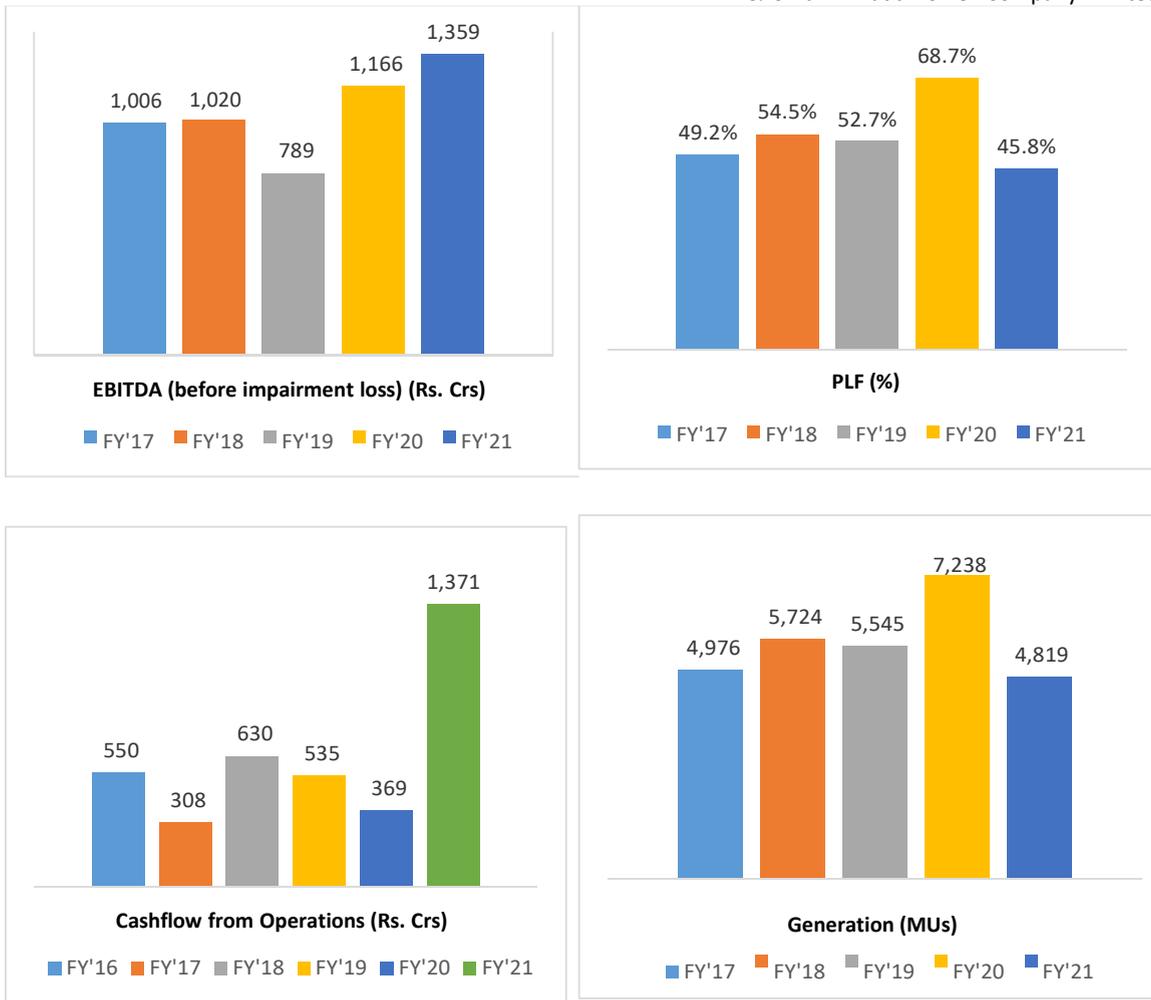
C.7 Human Resource Strategy

Your Company views its employees as its major asset and believes that Key Performers drive growth. During the last couple of years, your Company has been facing higher attrition of high potential employees. Although your Company has been recruiting replacements, some of the vacancies have been managed by giving additional responsibilities to existing employees. Also, your Company would focus on reduction of the attrition of employees and retention of critical talent so as to ensure that the operations of your Company are not affected due to HR related issues.

C.8 Financial and Operational Performance



IL&FS Tamil Nadu Power Company Limited



D. Risks and concerns

The Company views risk management as a continuous process which is the principal driver for effective Corporate Governance and for enhancement of value to the shareholders. In line therewith, the management of the Company constantly assesses the various risks faced / likely to be faced by the Company and develops strategies for mitigating / managing the risks.

A brief on the major Risks faced by the Company and the mitigating strategies are given below:

i. Liquidity and Credit Risk

Weak credit histories of state utilities may result in delays / default in payment by the power procurers (DISCOMs). This in turn may result in failure to generate sufficient amounts of cash flow to finance working capital

requirements and may also impair the ability of the Company to meet debt service obligations.

Further to the order of the NCLAT dated 15 October 2018, the Company has not been servicing the debts since November 2018. In relation thereto, the Company is in the process of restructuring of the debt based on the estimated future cash flow. The restructuring of the debts to a sustainable level combined with the reduction in the interest rate should ease the cash flow requirement of the Company. However, the Company still faces the risk of delay in settlement of the receivables by the procurers which in turn is likely to result in cash crunch for the Company.

In order to revive the economy, the Government of India has provided stimulus packages for boosting the industrial activity in the country which includes infusion of liquidity into the system. As part of this, the DISCOMs have been provided with soft loan from PFC / REC to settle the outstanding dues of the IPPs and to overcome the liquidity issues. Further to this, the Company has collected about Rs. 847 crores in Tranche I of the scheme and expects to receive further collection in the next Tranche. This is expected to further improve the cash flow position of the Company.

ii. Fuel Availability and Price

Limited or delayed supply of fuel (coal) and increased costs jeopardize the Company's ability to generate power (as per PPA). Further, fuel price and forex volatility may also impact project sustainability in the longer term.

There is no availability constraint as abundant Indonesian coal is available in the market. The Company also has a registered panel of credible vendors who have been registered through an open tender Expression of Interest. Further, the Company also has direct contact with various coal mines in Indonesia.

The Company has terminated the long-term coal supply and shipping contracts and has been procuring coal on spot basis. The Company follows a competitive bid process for procurement of coal. Only coal which meet the technical requirements of the plant is procured to ensure optimum performance of the plant. The Company was able to take advantage of the softer coal prices through Just-in-Time procurement to the extent possible during FY'2020-21. However, in the past 6 months the global coal prices have increase substantially and this is likely to have an impact on the cost of coal consumed by the Company going forward. In order to optimize the coal cost, the Company also intends to explore blending of Indonesian coal with coal from other origins as part of its strategy to optimize the cost of coal.

Further, in order to overcome the risk relating to reliability of Karaikal Port and the Rail transportation for movement of Coal, the construction of the captive jetty with conveyor connecting the Jetty and the plant has been undertaken. The implementation of the said project would re-start upon implementation of the debt restructuring plan and obtaining of Environmental

Clearance for the port project as the existing Environmental Clearance is valid only up to October 2021. Upon completion of the captive jetty, the same would improve the fuel supply chain and would also result in savings in the logistics cost. In relation to the forex exposure on import of coal, the Company is covered to a certain extent as the forex component is a pass-through under the long-term PPA with TANGEDCO which acts as a natural forex hedge for the Company.

iii. Plant Operation and Maintenance

As the Operations of your Company is plant oriented, Operation and Maintenance issues of the Power Plant like lower plant availability, higher heat rate (coal consumption), higher auxiliary power consumption, Higher O&M expenses, etc., are likely to have an adverse impact on the financials of the Company.

A separate department in the name of “Operational Efficiency” monitors the plant performance, condition of the machines, improving the operations and preventive actions, etc. This department along with its team constantly monitoring the plant operations and reports on daily basis about the health of the plant and suggests corrective actions.

The Operation and Maintenance aspects of the plant are reviewed on a daily basis and the operational issues are co-ordinatively resolved. Your Company has also been adopting best practices in the industry in predictive and preventive maintenance and as a result, the technical plant availability is around 90%.

Your Company has also adopted various energy conservation measures and as a result, the auxiliary power consumption is well below the design. Your Company has been constantly taking efforts to develop the spares indigenously so as to reduce the reliance on imports.

The O&M contracts are based on functional guarantees with appropriate liquidated damages. The performance of the O&M contractors are reviewed periodically.

Also, only coal which meet the technical requirements of the plant is procured to ensure optimum performance of the plant.

iv. Power Off-take Risk

Your Company faces / may face loss of revenue due to lower off-take of power by the Procurers. Your Company has a long-term PPA with TANGEDCO for 540 MW and medium-term PPA with PTC India for 550 MW for a period of 3 years which was operationalised during April 01, 2019. The PPA with TANGEDCO provides for Capacity Charges based on availability which mitigates this risk to some extent. Further, whenever the tariff on the Power Exchange is above the cost of generation, the Company sells the capacity available for sale on the exchange so as to earn additional revenue / margin.

As the medium-term PPA with PTC India is valid till March 2022, the Company is constantly exploring the market for opportunities for sale of power.

v. Human Resource

Off-late, your Company has been facing higher attrition of high potential employees. Although your Company has been recruiting replacements, some of the vacancies have been managed by giving additional responsibilities to existing employees.

Inadequate resources and competency gaps due to high attrition in human resources may lead difficulty in achievement of business goals by your Company.

Also, your Company would focus on reduction of the attrition of employees and retention of critical talent.

By Order of the Board of Directors

Sanjeev Seth
Managing Director
DIN: 07945707

Dr. Malini Vijay Shankar
Director
DIN: 01602529

Neerav Yashwant Kapasi
Director
DIN: 03500964

Feby Koshy Bin Koshy
Director
DIN: 08483345

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Chennai

Date: 03.12.2021
Place: Mumbai

Date: 03.12.2021
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of IL&FS Tamil Nadu Power Company Limited

Report on the Audit of the standalone Ind-AS Financial Statements**Qualified Opinion**

We have audited the accompanying standalone Ind-AS financial statements of IL&FS Tamil Nadu Power Company Limited (the "Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects and possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind-AS financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters more fully discussed in the following notes to the financial statements:

- a. Note 41 regarding investments (net of provisions) in ILFS Maritime Offshore Pte Ltd, Singapore (a subsidiary of the Company), of Rs 612.46 million as at March 31, 2021 (previous year – Rs 2,355.10 million), in respect of which no provision for impairment in investments has been made. We are unable to obtain sufficient appropriate audit evidence of the carrying value of such investments, and consequently, unable to comment on the any further adjustments that may be required to be recognised in this regard.
- b. Note 42 to the financial statements regarding gross trade receivables and unbilled revenues, of Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year – Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. The Company has made provisions of Rs 3,187.01 million (previous year – Rs 1,944.76 million) in respect of the aforesaid trade receivables. We are unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.
- c. Note 45(a) to the financial statements, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In our opinion, the Company may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 26,405.84 million as at March 31, 2021 (previous year – Rs 15,176.83 million). Further, pending the final assessment and determination of various claims received as stated in note 45(b), we are unable to comment on the adjustments that may be required in this regard, to the financial statements.
- d. Note 46 to the financial statements. For the reasons stated in that note, the Company has not recorded the net difference of Rs 13,985.45 million (previous year – Rs 5,949.28 million) between book balances and bank & financial institution balances, in respect of loans from banks and financial institutions. We are unable to comment on the consequential effects of the above, on the financial statements.
- e. Note 47, relating to the regulatory order for re-opening of books of accounts and re-casting of financial statements of certain group companies, and Note 48, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, whose possible consequential effects on the financial statements cannot be determined as of even date.

Our audit opinion on the financial statements for the year ended March 31, 2020 was qualified for the above matters.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these



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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.4A(c) to the standalone Ind AS financial statements which indicate that the Company has accumulated losses due to losses incurred in previous years, which along with other matters including mitigating factors considered by management, set forth in that Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Emphasis of matters

We draw attention to:

- a. Note 43 to the financial statements regarding determination of recoverable value, and provision for impairment, of property, plant & equipment in the previous year. As discussed in that Note, any future changes to the estimates, assumptions, and dependencies on external factors, including inter alia the extension of power purchase agreement with the state electricity distribution company / entering into new revenue arrangements, continued validity of the various assumptions made, considered by management, may affect the recoverable value of the related assets and, consequently, the provision for impairment recorded by the Company.
- b. Note 49 to the financial statements regarding certain non-compliances of laws and regulations (including certain requirements of the Act), and non-compliance of certain loans covenants.
- c. Note 50 of the financial statements regarding classification of borrowings, and Note 52 regarding deferred income relating to government grants which have been disclosed as non-current liability, as at March 31, 2021 in view of the reasons more fully discussed in those notes.

Our opinion is not qualified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind-AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the standalone Ind-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind-AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind-AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind-AS financial statements, including the disclosures, and whether the standalone Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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



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- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) Except for the effects / possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind-AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-AS financial statements – Refer Note 34 to the standalone Ind-AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, other than those accounted for / disclosed in the financial statements; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Aniruddh Sankaran**

Partner

Membership Number: 211107

UDIN: 21211107AAAAEW9809



Place of Signature: Chennai

Date: December 3, 2021

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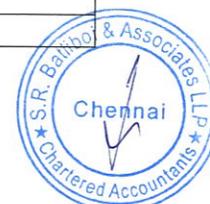
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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: IL&FS Tamil Nadu Power Company Limited (the "Company")

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year. However, plant and machinery, representing approximately 85% of the WDV of fixed assets as at year end, were physically verified in the financial year ended March 31, 2021, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management and confirmation received from the banks/obtained by the Company from banks, for the title deeds of immovable properties pledged with the banks included in property, plant and equipment/ fixed assets, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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 Companies Act, 2013, related to the production 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 with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, customs duty, excise duty, goods and service tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, goods and service tax and value added tax on account of any dispute, are as follows.

Name of the statute	Nature of dues	Amount (Rs million)	Financial year to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	37.03#	AY 2011-12	CIT Appeal
		- ##	AY 2012-13	Income tax appellate tribunal
		- ##	AY 2013-14	
		80.71*	AY 2014-15	
		443.93	AY 2017-18	CIT appeal



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*the Company has paid Rs 80.71 million as advance tax

Excludes Rs 21.02 million refund related to AY 2012-13 which has been adjusted against the demand of AY 2011-12 by the department.

No demand has been raised in respect of these years. However, the conclusion of the assessment proceedings may result in reduction of carry forward losses.

- (viii) According to the information and explanations given by the management, and read with Note 45(a)(v) and Note 50 to the financial statements, the Company has delayed in repayment of loans or borrowings to financial institutions, banks and dues to debenture holders, aggregating Rs 5,552.81 million as at March 31, 2021, including Rs 2,734.92 million of repayments which fell due during the year (the delay in such repayments being for no more than 838 days in each individual case). The Company did not have any loans or borrowing in respect of government during the year. The lender wise details are tabulated as under:

Particulars	Amount of the default as the March 31, 2021 (Rs in Million)*	Period of default	Remarks
Andhra Bank	15.51	December 31, 2018 to March 31, 2021	Principal amount due
Bank of Baroda	20.73		
Bank of India	26.09		
Canara Bank	15.51		
Corporation Bank	9.91		
Dena Bank	5.52		
Indian Bank	15.51		
LIC of India	27.16		
Oriental Bank of Commerce	13.08		
Punjab National Bank	71.48		
Punjab & Sind Bank	5.52		
SBI (State Bank of Bikaner and Jaipur)	7.86		
SBI (State Bank of Indore)	5.22		
SBI (State Bank of Mysore)	5.22		
SBI (State Bank of Patiala)	5.22		
SBI (State Bank of Travancore)	4.57		
The Jammu & Kashmir Bank Limited	5.22		
Union Bank of India	36.82		
United Bank of India	13.19		
PTC India Financial Services Limited	10.49		
Debentures	5,233.98	December 15, 2018 to March 31, 2021	Principal and Interest payable

*Amounts are based on the schedule of maturity as per loan agreements and does not consider amounts of deposits matured, which have been adjusted by banks against the loans.

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, except for the possible effects of the matters stated in the Basis for Qualified Opinion section of our auditor's report of even date on the financial statements of the Company, in respect of which we are unable to comment, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



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- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, and read with paragraph (b) of the Emphasis of Matter paragraph of our auditor's report of even date on the financial statements of the Company for the year ended March 31, 2021, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniruddh Sankaran

Partner

Membership Number: 211107

UDIN: 21211107AAAAEW9809



Place of Signature: Chennai

Date: December 3, 2021

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of IL&FS Tamil Nadu Power Company 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 IL&FS Tamil Nadu Power Company Limited (the "Company") as of March 31, 2021, in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, and read with the matter stated in Note 1.2 to the financial statements, the following material weaknesses have been identified as at March 31, 2021:

- The Company did not have appropriate internal controls over financial reporting in relation to the matters stated in the Basis for Qualified Opinion section of our auditor's report of even date on the financial statements of the Company, and the associated financial statements captions.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2021, 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.

Explanatory paragraph

We also have audited, 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, the standalone financial statements of IL&FS Tamil Nadu Power Company Limited, which comprise the Balance Sheet as at March 31, 2021, and the related Statement of Profit and Loss (including total comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weaknesses referred to above were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of IL&FS Tamil Nadu Power Company Limited and this report does not affect our report dated December 3, 2021, which expressed a qualified opinion on those financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Aniruddh Sankaran**

Partner

Membership Number: 211107

UDIN: 21211107AAAAEW9809



Place of Signature: Chennai

Date: December 3, 2021

S.No	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	63,130.89	70,723.42
	(b) Capital Work in Progress	3	-	331.82
	(c) Other Intangible Assets	4	0.36	0.36
	(d) Financial Assets			
	(i) Investments	5	612.58	2,355.40
	(ii) Trade Receivables	6	2,220.95	2,220.95
	(iii) Other financial assets	7	1,716.66	1,430.41
	(e) Non-Current tax assets (Net)	13	30.49	16.16
	(f) Other Non Current Assets	8	494.33	488.13
	Total non-current assets		68,206.26	77,566.65
	Current Assets			
	(a) Inventories	9	2,448.57	3,168.24
	(b) Financial Assets			
	(i) Trade Receivables	6	16,528.33	15,871.22
	(ii) Cash and Cash Equivalents	10	17,109.08	3,044.04
	(iii) Bank balances other than (ii) above	11	713.41	1,220.02
	(iv) Loans	12	-	1,744.60
	(v) Other Financial assets	7	2,691.83	3,227.55
	(c) Other Current Assets	8	523.16	430.38
	Total current assets		40,014.38	28,706.05
	TOTAL ASSETS		1,08,220.64	1,06,272.70
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	14	2,002.08	2,002.08
	(b) Instruments entirely equity in nature	15	(843.91)	(843.91)
	(c) Other Equity	16	3,994.94	2,130.33
	Total equity		5,153.11	3,288.50
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	55,685.28	62,370.93
	(ii) Other financial Liabilities	20	-	-
	(b) Long Term Provisions	22	12.76	11.94
	(c) Other non-current liabilities	21	8,488.45	8,750.10
	Total non-current liabilities		64,186.49	71,132.97
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	9,269.24	9,269.24
	(ii) Trade Payables	19	-	-
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,349.53	3,921.65
	(iii) Other financial Liabilities	20	24,992.25	18,404.06
	(b) Short Term Provisions	22	2.96	3.38
	(c) Current tax liabilities(Net)	13	-	-
	(d) Other Current Liabilities	21	267.06	252.90
	Total current liabilities		38,881.04	31,851.23
	Total Liabilities		1,03,067.53	1,02,984.20
	TOTAL EQUITY AND LIABILITIES		1,08,220.64	1,06,272.70

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E300004

Aniruddh Sankaran

Per Aniruddh Sankaran
 Partner
 Membership No.211107

Place: Chennai
 Date: 03.12.2021



For and on behalf of the Board of Directors

Sanjeev Seth
Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Febby Koshy Bin Koshy
Febby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

Malini Vijay Shankar
Dr. Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
Sushil Kumar Agarwal
 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



S.No	Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I	Revenues from Operations	23	27,890.48	34,326.60
II	Other Income	24	370.66	268.54
III	Total Income (I+II)		28,261.14	34,595.14
IV	Expenses:			
	Cost of materials consumed	25	12,287.96	20,081.36
	Other Direct Expenses	26	540.67	568.87
	Employee benefits expense	27	188.37	198.03
	Finance costs	28	149.61	312.83
	Depreciation and amortisation expense	29	1,986.17	2,011.41
	Other expenses	30	11,246.78	2,746.88
	Total Expenses (IV)		26,399.56	25,919.38
V	Profit before tax (III-IV)		1,861.58	8,675.76
VI	Tax Expense:			
	(1) Current Tax	30.1	-	-
	In respect of current year		-	-
	In respect of previous year		-	-
	(2) Deferred Tax	30.2	-	-
VII	Profit for the year (V-VI)		1,861.58	8,675.76
VIII	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurement (loss)/gain of defined benefit plans, net of tax		3.03	2.29
	Total other comprehensive income		3.03	2.29
IX	Total Comprehensive Income for the year (VII+VIII)		1,864.61	8,678.05
X	Earnings Per Equity Share (Nominal value per share ₹ 10)			
	- For continuing operations			
	(a) Basic		₹ 9.30	₹ 43.33
	(b) Diluted		₹ 7.10	₹ 28.40

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E300004

Aniruddh Sankaran
Per Aniruddh Sankaran
 Partner
 Membership No.211107



Place: Chennai
 Date: 03.12.2021

For and on behalf of the Board of Directors

Sanjeev Seth
Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Feby Koshy Bin Koshy
Feby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

Dr. Malini Vijay Shankar
Dr. Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
Sushil Kumar Agarwal
 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



IL&FS TAMILNADU POWER COMPANY LIMITED
Statement of Changes in Equity for the year ended March 31, 2021
 All amounts are in ₹ million, unless otherwise stated



Particulars	Equity Share Capital		Instruments entirely equity in nature	Reserves and Surplus			Total Reserves and Surplus
	No of shares	Amount		Securities Premium Account	Debt Redemption reserve	Retained earnings	
Balance at March 31, 2019							
Profit for the year	17,59,69,765	1,759.70	4,545.37	32,479.92	16.95	(44,191.49)	(11,694.62)
Addition for the year	-	-	-	-	-	8,675.76	8,675.76
Add: Amortised during the year	2,42,37,999	242.38	(5,389.28)	5,146.90	-	-	5,146.90
Remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	-	-	2.29	2.29
Balance at March 31, 2020	20,02,07,764	2,002.08	(843.91)	37,626.82	16.95	8,678.05	8,678.05
Profit for the year	-	-	-	-	-	1,861.58	1,861.58
Addition for the year	-	-	-	-	-	-	-
Add: Amortised during the year	-	-	-	-	-	-	-
Remeasurement of defined benefit plans, net of tax	-	-	-	-	-	3.03	3.03
Total comprehensive Income for the year	-	-	-	-	-	1,864.61	1,864.61
Balance at March 31, 2021	20,02,07,764	2,002.08	(843.91)	37,626.82	16.95	(33,648.83)	3,994.94

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E3000004

Srinivasulu
Per Aniruddh Sankaran
 Partner
 Membership No.2111107

Place: Chennai
 Date: 03.12.2021



For and on behalf of the Board of Directors

Dr. Malini Vijay Shankar
Dr/ Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
Sushil Kumar Agarwal
 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



Particulars	For the year ended		For the year ended	
	March 31, 2021		March 31, 2020	
A. Cash flow from operating activities				
Profit before tax		1,861.58		8,675.76
Adjustments for :				
Depreciation and Amortisation	1,986.17		2,011.41	
Finance costs	149.61		181.91	
Unrealised exchange gain(net)	41.48		(131.69)	
Deferred income from Government Grants	(249.24)		(249.98)	
Interest Income	(280.43)		(120.83)	
Loss/(Gain) on derecognition of financial liabilities	-		130.92	
Profit on sale of fixed asset	-		0.23	
Provision for bad & doubtful debts	1,242.96		-	
Loss of stock in transit	9.30		-	
Loss of property due to cyclone	75.82		-	
Impairment of Property, Plant & Equipment	5,611.40		-	
Impairment of Other financial Asset	3,318.92		430.07	
Impairment of Capital Work in progress	331.82		225.09	
Provision for Aged Spares	118.84		-	
Provisions no longer required	(10.90)		(8.25)	
Trade receivables written off	-		-	
Provision for employee benefits	-		(5.97)	
		12,345.75		2,462.91
Operating profit before working capital changes		14,207.33		11,138.67
Changes in working capital				
Adjustments:				
(Increase) in Trade receivables	(1,889.17)		(5,207.74)	
(Increase)/Decrease in Inventories	516.51		(1,722.89)	
(Increase)/Decrease in Other Assets	(95.93)		334.30	
(Increase)/Decrease in Other Financial Assets	534.97		(1,346.81)	
Increase/(Decrease) in Trade payable	446.93		477.71	
Increase/(Decrease) in Other Liabilities	2.15		(148.86)	
Increase/(Decrease) In Other Financial Liabilities	0.30		177.58	
		(484.24)		(7,436.71)
Cash generated from operations		13,723.09		3,701.96
Tax (Paid)/refund received(Net)		(14.33)		(10.50)
Net cash flow from operating activities		13,708.76		3,691.46
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(5.04)		(52.49)	
Investments in subsidiary companies	-		(35.53)	
Fixed deposits (Placed)/Matured	(194.99)		(193.11)	
Bank balances considered as other than cash and cash equivalent	506.61		(559.99)	
Interest received	189.92		175.39	
Net cash flow used in investing activities		496.50		(665.73)
C. Cash flow from financing activities				
Net Increase/(Decrease) in working capital borrowing	-		(102.21)	
Finance costs	(140.22)		(83.96)	
Net cash flow from in financing activities		(140.22)		(186.17)
Net increase in cash and cash equivalents (A+B+C)		14,065.04		2,839.56
Reconciliation				
Cash and cash equivalents at the beginning of the year		3,044.04		204.48
Cash and cash equivalents at the end of the year		17,109.08		3,044.04
Net increase in cash and cash equivalents		14,065.04		2,839.56

Note:
 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS / 'Cash Flow Statement'.

The accompanying notes are an integral part of the standalone financial statements.
 As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E300004

For and on behalf of the Board of Directors

Per Aniruddh Sankaran
 Partner
 Membership No.211107

Sanjeev Seth
 Managing Director
 DIN No: 07945707

Dr. Malini Vraj Shankar
 Director
 DIN 01602529

Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Chennai
 Date: 03.12.2021

Place: Chennai
 Date: 03.12.2021

Place: Chennai
 Date: 03.12.2021

Place: Mumbai
 Date: 03.12.2021



Feby Koshy Bin Koshy
 Director
 DIN No:08483345

Sushil Kumar Agarwal
 Chief Financial Officer

Harshlatha J Lalwani
 Company Secretary

Place: Mumbai
 Date: 03.12.2021

Place: Chennai
 Date: 03.12.2021

Place: Chennai
 Date: 03.12.2021



IL&FS Tamil Nadu Power Company Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in ₹ million, unless otherwise stated)

1.1 Corporate information

IL&FS Tamil Nadu Power Company Limited ("ITPCL" or the "Company", having Company Identification Number U72200TN2006PLC060330) was incorporated on June 26, 2006 as a public limited company. The Company is the subsidiary of IL&FS Energy Development Company Ltd.

The Company was established for setting up a thermal based power project of 3600 Mega Watt (MW) at a facility in Parangipettai in Tamil Nadu. The project was envisaged in two phases – Phase I of 1,200 MW (in two units of 600 MW each) and the remainder in Phase II. Unit 1 of Phase I, of 600 MW, achieved COD (Commercial Operations Date) during 2015-16, and Unit 2 achieved COD (Commercial Operations Date) during 2016-17. The Company has entered into a Power Purchase Agreement ("PPA") in respect of Unit 1 with the Tamil Nadu Generation and Distribution Corporation Limited ("TANGEDCO"), for a period of 15 years effective June 1, 2014, and a PPA in respect of Unit 2 with PTC India Limited for a period of 3 years effective April 1, 2019.

The financial statements were approved for issue by the board of directors on December 03, 2021.

1.2 Significant developments at IL&FS and various group companies in FY 2018-19 and subsequently

1.2.1 Significant developments at IL&FS

Infrastructure Leasing & Financial Services Limited ("IL&FS" or the "Holding Company") reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of IL&FS was downgraded to 'D' (lowest grade) in September 2018.

Pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Holding Company be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO commenced investigation of affairs of the Company. SFIO submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the RoC and on the following grounds:

- I. The precarious and critical financial condition of IL&FS and its group companies and their inability to service their debt obligations had rattled the money market.
- II. On a careful consideration of the Union of India, it was of the opinion that affairs of IL&FS and its group companies were conducted in a manner contrary to the public interest due to its mis-governance; and
- III. The intervention of the Union of India is necessary to prevent the downfall of IL&FS and its group companies and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from Financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board and appointed the New Board proposed by the Union of India.

The present constitution of the New Board is as follows:

1. Mr Uday Kotak, Chairman
2. Mr. C S Rajan, Managing Director
3. Mr. Nand Kishore, Executive Director
4. Mr. GC Chaturvedi, Director
5. Dr. Malini Shankar, Director
6. Mr. N. Srinivasan, Director



IL&FS Tamil Nadu Power Company Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in ₹ million, unless otherwise stated)

Further, applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- I. The institution or continuation of suits or any other proceedings by any party or person or bank or company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.
- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

The NCLAT has vide its order dated March 12, 2020 approved the resolution framework. This has been dealt with in Note 1.2.2.

1.2.2 Resolution process proposed by new Board of Directors of the Holding Company

The New Board of Directors of the Holding Company (hereinafter, "New Board"), as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

As stated in Note 1.2.1, in terms of the NCLAT order, there is a moratorium on creditors from proceeding against IL&FS and its group entities, except under article 226 of the Constitution of India.

The resolution plan seeks a fair and transparent resolution for the Holding Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. IL&FS being a holding company and registered as a Core Investment Company (CIC) with RBI, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The IL&FS Group resolution involves resolution of 302 entities, operating across more than 10 distinct business verticals. When the new Board of Directors were appointed, the aggregate principal amount of the external fund based debt exposure of the IL&FS Group was in excess of Rs 94,000 crore (in addition to non-fund based exposure of Rs 5,100 crores). The New Board have been tasked by the Hon'ble NCLT with the resolution of this multi-layered group with various inter linkages.

The New Board is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group,



IL&FS Tamil Nadu Power Company Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in ₹ million, unless otherwise stated)

is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be considered.

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

In this regard, ITPCL is classified as an "Amber" entity, indicating that it is not to meet all obligations (financial and operational), but can meet only operational payment obligations and payment obligations to senior secured financial creditors. Accordingly, the ITPCL is permitted to make only those payments necessary to maintain and preserve the going concern status.

The New Board has been following a three-pronged strategy - Resolve, Restructure and Recover - while adopting the approach of equitable distribution and balancing interests of stakeholders across the IL&FS Group under IBC and Corporate Finance principles to resolve the debt.

Taking into account the vast challenges facing the IL&FS Group, including the complexity posed by its structure, width of operating business, scale and levels of group -wide consolidated leverage, the New Board (in consultation with its advisors) has formulated a unique resolution framework as outlined in various progress reports and responses ("Resolution framework") which were submitted to the MCA for its consideration which in turn filed the same with Hon'ble NCLT and Hon'ble NCLAT as appropriate. The Resolution Framework covers a comprehensive process for implementing an "Asset level Resolution" for the Group. All such steps have been undertaken under section 241 and 242 of the Companies Act, 2013 and in consultation with the MCA.

The Resolution Framework contemplates a process which is fair and transparent and seeks to balance the interests of varied stakeholders across levels and is being undertaken under the supervision of a retired Supreme Court Judge as mandated by Hon'ble NCLAT. The Hon'ble NCLAT on March 12, 2020 approved the said Resolution Framework inter alia approving process and procedures as proposed.

Since taking charge on October 1, 2018, the New Board has initiated various measures to achieve the resolution of the IL&FS Group, including:

- (i) asset monetisation (as part of the 'Asset Level Resolution' in accordance with the Resolution Framework);
- (ii) liquidity management (including the solvency analysis and entity categorisation as well as cash build up) and cost optimisation measures; and debt restructuring efforts.
- (iii) The Third Progress Report on the 'Proposed Resolution Framework for IL&FS Group' dated December 17, 2018 (Initial Resolution Framework), the Addendum dated January 15, 2019 thereto (First Addendum), and the Second Addendum dated December 5, 2019 (Second Addendum) (collectively, "Resolution Framework") have been filed with MCA which have in turn been filed with the National Company Law Appellate Tribunal ("NCLAT"). The Hon'ble NCLAT vide the March 12, 2020 Judgment approved inter alia the Resolution Framework and fixed the Cut-Off Date as October 15, 2018 for crystallization of liabilities of creditors. The Resolution Framework sets out the process to be followed for the resolution of IL&FS group entities including IL&FS, and also the manner in which interest of all stakeholder shall be managed in the process.
- (iv) Further, the resolution of the entities in the IL&FS Group is being conducted under the supervision of Justice (Retd.) D.K. Jain, appointed by the Hon'ble NCLAT to oversee the resolution process for the IL&FS Group in terms of the orders passed by the Hon'ble NCLAT on February 4, 2019 and February 11, 2019.
- (v) It is to be noted that IL&FS Group entities (which are incorporated in India) have been classified into "Green", "Amber" and "Red", based on their ability to repay their debt obligations over a 12 month look forward testing period. This categorization (along with the



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principles pertaining to such classification) was filed by the Ministry of Corporate Affairs, Union of India with the Hon'ble NCLAT vide affidavits dated February 11, 2019 and March 12, 2019 and the categorization was last updated on August 08, 2019;

- (vi) Hon'ble NCLAT vide order on February 11, 2019 had permitted "Green" entities (including any entities that may subsequently be classified as "Green") to discharge their debt obligations as per scheduled repayment. "Amber" and "Red" entities are permitted to only make payments necessary only to maintain and preserve the going concern status.
- (vii) In this regard, the creditors' claims management is undertaken by the Claim Management Advisor ("CMA"). The Creditor claims in respect of IL&FS have been invited, verified and assessed for admissibility by the CMA, with a cut-off date of October 15, 2018 in line with NCLAT directions. This claims management process duly records the nature of security charge specific to each creditor.
- (viii) As of date, the new board has initiated / completed asset monetization plan in respect of several investments / assets and other properties, which are in various stages of sale and resolution.

1.3 Application of new and revised Ind AS

As at the date of preparation of these Financial statements, all the applicable Ind AS issued and ratified by the MCA have been applied.

1.4 Summary of significant accounting policies

A) Basis of preparation and presentation

a) Compliance with Ind-AS

The Standalone financial statements of the Company for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended, read with the relevant notes below.

The financial statements are presented in Indian Rupees (Rs.) (its functional currency) and all values are rounded off to the nearest millions of Indian Rupees, except where otherwise indicated. Figures for the previous years have been regrouped /rearranged wherever considered necessary to conform to the current year classification.

b) Historical Cost convention

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

c) Going concern assumption

The Company has accumulated losses of Rs 33,648.07 million as at March 31, 2021.



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Pursuant to the matter stated in Note 1.2, the IL&FS Group is evaluating sale of certain entities in the group and/or assets of such entities, including in relation to ITPCL. Pending the determination of this approach as regards ITPCL and outcome of the processes, it is not practically possible to determine the consequent effects of such process on the financial statements of the Company. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Management believes that the accumulated losses are primarily due to the underutilisation of Unit II of the power plant in the early period of its operations, in absence of a structured revenue generation mechanism until October 28, 2016. In this regard, the Company has entered into a Power Purchase Agreement in respect of Unit II for a period of three years, effective April 1, 2019, and has commenced power supply under the said power purchase agreement after year-end. Further, the cash flows projections prepared by management covering the period up to financial year 2039-40 (ie, co-terminus with the tenure of the Company's borrowings as of date), in respect of both Unit I and Unit II in the aggregate, shows net positive cash flows, based on which management is confident that the Company will be able to carry on its regular operations, generate sufficient cash flows from operations and pay its liabilities as they fall due, during the next 12 months and the foreseeable future.. Accordingly, these financial statements have been prepared on the basis that the Company is a going concern and do not include any adjustments to the carrying value or classification of assets and liabilities as at March 31, 2021.

B) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Also refer Note 51.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

C) Property, Plant and Equipment (PP&E)

i. Land and building held for use in the production or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated are carried at cost less accumulated depreciation and impairment losses, if any.



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ii. Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset. Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

iii. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

iv. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

v. Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

vi. The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 under the previous GAAP as its deemed cost on the date of transition to Ind AS.

vii. Depreciation is provided for property, plant and equipment so as to expense the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

The estimated useful life adopted by the company are mentioned below

Asset	Useful Life (in years)	Schedule II – Useful life (in years)
Data Processing Equipments - Server & Networking	4	6
Leasehold improvements incl. installations	Over the primary period of lease	Over the primary period of lease
Office equipment	5	5
Electrical Installation	10	10
Furniture & Fixtures	10	10
Plant & Machinery	40	40
Transmission Line	40	40
Buildings & Civil Structures	30	30
Hydraulic Works, Pipelines & Sluices	15	15
Bridges	30	30
Railway Siding & Track Hopper	15	15
Roads (non-carpeted) and drains	3	3
Vehicles – Cars	4	8
Vehicles – Cars used by employees	5	8
Vehicles – Motor cycles	8	10
Temporary structures at project site	From the date of completion to the estimated date of commencement of commercial operations.	



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The Company, based on technical assessment made by management estimate, depreciates certain items over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

D) Intangible Assets

Ind AS 38, "Intangible Assets" requires that intangible assets be amortised over their expected useful lives unless their lives are considered to be indefinite. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful life have not been amortised whereas it has been tested for impairment on annual rests.

The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The carrying amount of intangible asset is tested for impairment by comparing the carrying value with the asset's recoverable amount, which is higher of its value in use and its fair value less costs to sell. Should the carrying amount exceed the corresponding recoverable amount, an impairment charge equal to the difference between the carrying amount and the recoverable amount is recognised and reported in expense under "Depreciation, amortisation and impairment charges."

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April,01,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible Asset	Useful life
Computer software (other than SAP software below)	During the year of purchase or over the actual useful life
SAP Software	3 years

E) Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PP&E, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:



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(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use. (The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Also refer Note 43.

F) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income ('FVTOCI')
- Debt instruments and derivatives at fair value through profit or loss ('FVTPL')
- Equity instruments at fair value through profit or loss ('FVTPL') or at fair value through other comprehensive income ('FVTOCI')

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.



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This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has classified its investments in mutual funds as Investments at FVTPL.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of



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a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the previous year is recognized as expenses in the statement of profit and loss ('P&L'). This amount is reflected under the head 'other expenses' in the P&L. Also refer Note 41 and 42.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



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Derecognition

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

Also refer note 45.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure foreign currency risks.

Derivatives / forward contracts are initially recognised at fair value at the date the derivative / forward contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity investment in Subsidiaries

Investment in subsidiaries are carried at cost in the separate financial statements as permitted under Ind-AS 27. Investment in subsidiaries are accounted under cost basis.

G) Derivative financial instruments & Hedge Accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to commodity price and foreign exchange rate risks, including foreign exchange forward contracts and commodity options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.



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Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are capitalised as fair value of underlying is been capitalised. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss, and is included in the 'Other income or other expense' line item. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

H) Foreign Currency Transactions

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For transition to Ind AS, Company has availed exemption under Ind AS 101 for the long-term foreign currency monetary items outstanding as on the date of transition to be accounted under the provision of previous GAAP. Hence the exchange fluctuations pertaining to the long-term foreign currency monetary item outstanding as on the transition date is been capitalised if it is pertaining to the acquisition of asset and in other cases accumulated in the foreign currency monetary item translation reserve and annualised over the period of outstanding.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see above for hedging accounting policies);
- Exchange differences on long term foreign currency monetary item outstanding as on the transition date.

I) Inventories

Inventories other than by products are stated at the lower of cost and net realizable value. Inventories of by-products are valued at net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories pertaining to fuel and stores are valued at weighted average basis.

J) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current



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K) 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market.

The principal or the most advantageous market must be accessible by the company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Also refer Note 40.

L) Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Where Government grants relates to assets, the cost of assets are presented at gross value and grant thereon is recognised as income in the statement of profit and loss over the useful life of the related assets in proportion in which depreciation is charged.

Grants related to income are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for. Also refer Note 52.



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M) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from Power Supply

Revenue from Sale of Power is recognised on accrual basis based on the actual energy exported by the Company during the relevant accounting period, at the tariff / rate agreed upon with the relevant customer in the contract / agreement and it is probable that the Company will collect the consideration to which it is entitled. The transmission charges, wheeling and other charges recovered from the customers for the energy supplied is also recognised as revenue and the matching amounts paid / payable to the transmission utility is recognised as expenses.

The Company's contracts with customers for the sale of electricity generally include only one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is supplied to the customer.

The surcharge on late payment / overdue sundry debtors and differential CVD, service tax paid on ocean freight under reverse charge mechanism and differential coal cess claims is recognized on accrual basis, based on contractual terms and/or commercial considerations on fair value basis considering the management estimate of time taken for collection.

ii) Interest income is recognised on Effective Interest Rate (EIR) basis.

N) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred borrowing cost has been computed based on the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

O) Retirement and other employee benefits

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

i. **Post-employment benefits**

The Company operates the following post-employment schemes:

a. **Gratuity**

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

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

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

b. **Retirement benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service

P) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue



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Q) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



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Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

R) Earnings per Share

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

S) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

T) Cash flows statement

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

1.5 Changes in accounting policies and disclosures

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.



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Note 2 Property, Plant and Equipment

Particulars	As at		As at											Total		
	March 31, 2021	March 31, 2020	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmission Line	Factory building	Furniture and fixtures	Vehicles	Office equipments		Plant and machinery	Computers
Carrying amounts of:																
Land (owned)	2,082.64	2,082.64														
Roads	24.88	58.30			303.49	2,937.02	50.23	1,981.19	2,512.90	7,062.08	58.77	9.76	28.29	96,533.70	18.10	1,15,104.25
Hydraulics works, pipelines and sluices	1,368.36	1,491.69			-	-	-	-	-	-	2.17	-	0.35	6.72	0.42	9.66
Bridge Work	41.57	43.13			-	-	-	-	-	-	-	(4.58)	-	-	-	-
Railway Siding & Track Hopper	963.01	1,053.97			-	-	-	-	-	-	-	-	-	-	-	-
Transmission Line	1,497.35	1,537.12			-	-	-	-	-	-	-	-	-	-	-	-
Factory building	4,215.18	4,369.40			303.49	2,937.02	50.23	1,981.19	2,512.90	7,062.08	60.94	5.18	28.64	96,540.42	18.52	1,15,109.33
Furniture and fixtures	15.27	16.82			-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	4.23	4.85			-	-	-	-	-	-	0.47	-	0.71	3.02	0.84	5.04
Office equipments	6.64	9.78			-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	52,908.80	60,052.63			-	-	-	-	-	-	-	-	-	-	-	-
Computers	2.96	3.09			-	-	-	-	-	-	-	-	-	-	-	-
	63,130.89	70,723.42			3,605.19	2,937.02	50.23	1,981.19	2,512.90	7,062.08	61.40	5.18	29.36	96,543.44	19.36	1,15,114.38
Balance at March 31, 2020																
Additions	-	-														
Deletion	-	-														
Balance at March 31, 2021					3,605.19	2,937.02	50.23	1,981.19	2,512.90	7,062.08	61.40	5.18	29.36	96,543.44	19.36	1,15,114.38
Particulars																
Balance at March 31, 2019																
Additions																
Deletion																
Balance at March 31, 2020																
Additions																
Deletion																
Balance at March 31, 2021																
Particulars																
Accumulated depreciation and impairment																
Balance at March 31, 2019																
Depreciation expense																
Deletion																
Balance at March 31, 2020																
Depreciation expense																
Impairment (Refer Note 43)																
Balance at March 31, 2021																
Carrying amount as on March 31, 2020																
Carrying amount as on March 31, 2021																
Particulars																
Opening balance as at March 31, 2020																
Impairment for the year																
Closing balance as at March 31, 2021																

Movement of Impairment:		Closing balance as at March 31, 2021	
Opening balance as at March 31, 2020	33,916.76	Impairment for the year	5,611.40
			39,528.16

Note 3 Capital Work-in-progress		
Particulars	Opening balance as at March 31, 2020	Closing balance as at March 31, 2021
Capital Work-in-progress (Also Refer Note 44)	331.82	(331.82)



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Note 4: Other Intangible Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Computer Software	0.36	0.36
Balance at end of year	0.36	0.36
Computer Software		
Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	124.02	124.02
Additions	-	-
Disposals	-	-
Balance at end of year	124.02	124.02
Accumulated depreciation and impairment		
Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	123.66	123.66
Amortisation expense	-	-
Balance at end of year	123.66	123.66
Carrying amount at end of year	0.36	0.36



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Note 5: Financial Assets: Investments

Particulars	As at March 31, 2021	As at March 31, 2020
I) Investments in Subsidiaries		
Unquoted Investments		
<i>Investments in Equity Instruments at Cost</i>		
4,32,79,626 (2020 - 4,32,79,626) shares of US\$ 1 each fully paid up in ILFS Maritime Offshore Pte Ltd, Singapore(Refer note 17.2.h and note 41).	2,355.10	2,355.10
Less: Impairment during the year (Refer note 41)	(1,742.64)	-
Total Investments in Subsidiaries	612.46	2,355.10
II) Investments in Joint Venture		
Unquoted Investments		
<i>Investments in Joint venture at Cost</i>		
17,600(2020 - 17,600)equity shares of ₹ 10/- fully paid up in Cuddalore Solar Power Private Limited	0.18	0.18
Less: Impairment during the year	(0.18)	-
Total Investments in Joint Venture	-	0.18
III) Other Investments		
Investment in Government securities		
National Savings Certificate	0.12	0.12
Total Other Investments	0.12	0.12
Total Non-Current Investments	612.58	2,355.40



IL&FS TAMILNADU POWER COMPANY LIMITED
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Note 6. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Refer note 6.1 below)		
Secured, considered good	-	-
Unsecured, considered good	18,749.28	18,092.17
Having significant increase in credit risk	-	-
Credit impaired (Refer note 6.2 below)	3,546.08	2,314.02
Impairment allowance - credit impaired (Refer note 6.2 below)	(3,546.08)	(2,314.02)
	18,749.28	18,092.17
Current	16,528.33	15,871.22
Non-current	2,220.95	2,220.95

6.1. The average credit period on sale of power ranges from 30 to 50 days. As per the Article 8.3.5 of Long-Term PPA with Tamil Nadu Generation and Distribution Corporation Limited ('TANGEDCO'), no interest is charged on trade receivables for the first 30 days. Thereafter late payment surcharge shall be payable at the rate equal to SBIPLR per annum.

SBIPLR shall mean the prime lending rate per annum as fixed from time to time by the State Bank of India. In the absence of such rate, SBIPLR shall mean any other arrangement that substitutes such prime lending rate as mutually agreed to by the Parties. SBIPLR for the year was in the range of 12.05% to 12.90% p.a.

As per article 24.4 of Medium term PPA with PTC India Limited ('PTC'), in the event of delay beyond such period, late payment surcharge shall be payable at the rate equal to 5% above the bank rate. The interest rate for the current year was charged at 9.25% p.a (March 31, 2020 - 9.65% p.a).

The Company has a practical expedient by computing expected credit loss allowance on trade receivables based on customer specific provision. This provisioning takes into account historical credit loss experienced and adjusted from forward looking information. Also refer note 42.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For charge created on receivables, refer note 18.2.

6.2. Reconciliation of Provision/ Impairment for receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at the beginning of the year	2,314.02	1,312.08
Created during the year	1,242.96	1,010.19
Reversed during the year	(10.90)	(8.25)
Closing balance as at the end of the year	3,546.08	2,314.02

6.3. Credit concentration

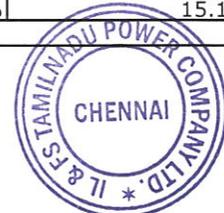
As at March 31, 2021, out of total trade receivables (net of provisions), 78.40% (As at 31st March, 2020 - 84.89%) pertains to dues from State Distribution Company under Long Term Power Purchase Agreement ("PPA") and 21.60% (As at 31st March 2020 - 15.11%) from PTC India Limited.

6.4. Expected Credit Loss (ECL)

Majority of the Company's receivables relates to power supply to State Electricity Distribution Company which is a Government undertaking. Refer note 42 for the basis of recognising provision against outstanding receivables.

6.5. Customer balances which represents more than 5% of total balance of trade receivable (net of provisions)

Particulars	As at March 31, 2021	As at March 31, 2020
TANGEDCO	78.40%	84.89%
PTC INDIA LIMITED	21.60%	15.11%



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Note 7 Other Financial Assets

Particulars	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
At Amortised Cost				
(a) Security Deposits	18.92	-	12.81	31.42
(b) Interest receivable	73.30	0.96	57.67	39.50
(c) Bank deposits due to mature after 12 months of the reporting date*	1,498.92	1,310.28	-	-
(d) Fixed Deposits under lien: with Statutory authorities	125.52	119.17	-	-
(e) Rent receivable	-	-	5.42	5.14
(f) Unbilled Revenue	-	-	2,589.30	3,150.38
(g) Balance with government authorities	-	-	26.63	1.11
	1,716.66	1,430.41	2,691.83	3,227.55

*The Company has placed fixed deposit of Rs. 1,498.92 million (PY Rs. 1,070.80 million) as margin towards bank guarantee and Debt Service Reserve Account (DSRA).

Note 8 Other Assets

Particulars	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(a) Prepaid expenses	6.20	-	51.52	66.66
(b) Advances to suppliers	-	-	137.87	43.76
(c) Gratuity Plan Assets	-	-	0.95	2.58
(d) Advance interest	-	-	326.64	317.38
(e) Advances to project vendors	488.13	488.13	-	-
(f) Other receivables	-	-	6.18	-
	494.33	488.13	523.16	430.38



All amounts are in ₹ million, unless otherwise stated

Note 9 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Fuel		
Coal including goods in transit of Rs. 1,141.30 million (goods in transit as on March 31, 2020: Rs. 316.99 million)	1,450.34	2,184.17
Light diesel oil including in transit stock Rs.2.65 million (goods in transit as on March 31, 2020: Rs. Nil)	21.31	25.40
Lime Stone (goods in transit balances: Nil)	15.30	13.74
(b) Stores and spares including in transit of Rs. 61.69 million (goods in transit as on March 31, 2020: Rs. Nil)	961.62	944.93
	2,448.57	3,168.24

For charge on inventories, refer note 18.2.

Note 10: Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques, drafts on hand and does not include balances with banks in earmarked accounts (Refer note 11). Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
(i) On Current account	170.02	48.63
(ii) Deposits with original maturity of less than 3 months	16,939.06	2,995.41
(b) Cash on hand	-	-
	17,109.08	3,044.04

Note:

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates ranging from 2.9% to 6.4% p.a during the year ended March 31, 2021 (5% to 7% p.a during the year ended March 31, 2020).

10.1. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at 1st April, 2020	Net cash flows	Exchange (gain)/Loss	Others (non-cash flow changes)	As at 31st March, 2021
Non-current borrowings	68,699.97	-	-	9.39	68,709.37
Current borrowings	9,269.24	-	-	-	9,269.24
Interest accrued	3,784.50	-	-	-	3,784.50
Total	81,753.71	-	-	9.39	81,763.10

Particulars	As at 1st April, 2019	Net cash flows	Exchange (gain)/Loss	Others (non-cash flow changes)	As at 31st March, 2020
Non-current borrowings	68,686.90	-	-	13.07	68,699.97
Current borrowings	9,371.45	(102.21)	-	-	9,269.24
Interest accrued	3,784.50	(83.96)	-	83.96	3,784.50
Total	81,842.85	(186.17)	-	97.03	81,753.71



All amounts are in ₹ million, unless otherwise stated

Note 11 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in earmarked accounts - In escrow account with security agent of long term lenders*	713.41	1,220.02
	713.41	1,220.02

* The Company has an escrow account with M/s Punjab National Bank (Large Corporate Branch) escrow agent, on behalf of all the term loan lenders of the Consortium. As part of the agreement, the balances with the escrow account agent are part of the security structure in favour of lenders and hence its usage is restricted to payments as approved by the lenders.

NOTE 12. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Current		
a. Loans to related parties (Refer note 12.1 below)		
- Unsecured, considered good	-	1,744.60
Less: Impairment allowance for doubtful loans	-	-
- Doubtful	4,410.74	2,778.55
Less: Impairment allowance for doubtful loans	(4,410.74)	(2,778.55)
a. Accrued interest on loan (Refer note 12.1 below)		
- Doubtful	2,172.63	2,228.72
Less: Impairment allowance for doubtful loans	(2,172.63)	(2,228.72)
	-	1,744.60

12.1. The Company had given a foreign currency loan of USD 60 million to its wholly owned subsidiary carrying a rate of interest 7% p.a. The Loan including accrued interest was repayable on maturity (i.e, 31st March 2019). The loan has not been paid as of date and the entire balance is impaired during the year ended March 31, 2021. Also refer Note 41.

Note 13 Tax assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Tax assets		
- Advance tax (including tax deducted at source, and net of provision for taxes)	30.49	16.16
	30.49	16.16



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Note 14 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED :		
Equity Shares: 500,100,000 Equity Shares of ₹ 10 each (March 31, 2020 - 500,100,000 equity shares of 10 each)	50,010.00	50,010.00
ISSUED, SUBSCRIBED AND FULLY PAID UP 200,207,764 Equity Shares of ₹ 10 each (March 31, 2020 - 200,207,764)	2,002.08	2,002.08
	2,002.08	2,002.08

14.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year.

Reconciliation	2020-21		2019-20	
	No of Shares	In ₹	No of Shares	In ₹
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the year	20,02,07,764	2,00,20,77,640	17,59,69,765	1,75,96,97,650
Allotment of shares during the year	-	-	2,42,37,999	24,23,79,990
At the end of the year	20,02,07,764	2,00,20,77,640	20,02,07,764	2,00,20,77,640

14.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No of shares held as at			
	March 31, 2021		March 31, 2020	
	Nos.	%	Nos.	%
IL&FS Energy Development Company Ltd	16,07,97,509	80.32%	16,07,97,509	80.32%
A.S.Coal Resources Pte Ltd, Singapore (refer note 56)	1,51,72,256	7.58%	1,51,72,256	7.58%
Infrastructure Leasing & Financial Services Limited(IL&FS Ltd)	2,42,37,999	12.10%	2,42,37,999	12.10%

14.3 Terms attached to Equity Shares:

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share. The company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Note 15 Instruments entirely equity in nature

Particulars	As at March 31, 2021	As at March 31, 2020
Convertible debentures -IL&FS Energy Development Company Ltd (Refer Note.15.1 below)	(843.91)	(843.91)
	(843.91)	(843.91)

15.1. Fully Compulsorily Convertible debentures(FCCD) issued to IL&FS Energy Development Company Limited outstanding as on March 31, 2015 were in the nature of equity as it carried an NIL interest rate and were convertible into fixed number of shares. Terms of issue of these debentures were changed subsequently in the year 2016-17 to carry an coupon rate of 16% per annum with retrospective effect since the date of issue and would be convertible at fair market value of shares. Hence FCCD were classified as financial liability in the year 2016-17 and interest accrued till the change in terms were debited to equity. The Company has accrued interest till 15.10.2018 based on advisory issued by IL&FS Group. Also refer note 1.2.



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Note 16 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium reserve	37,626.82	37,626.82
Debenture Redemption reserve	16.95	16.95
Retained Earnings	(33,648.83)	(35,513.44)
Total	3,994.94	2,130.33

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Securities Premium Account		
Opening balance	37,626.82	32,479.92
Add : Addition during the year	-	5,146.90
Less : Utilised during the year	-	-
Closing balance	37,626.82	37,626.82
(b) Debenture Redemption Reserve		
Opening balance	16.95	16.95
Add: Addition during the year	-	-
Less: Utilised during the year	-	-
Closing balance	16.95	16.95
(c) Retained Earnings		
Opening Balance	(35,513.44)	(44,191.49)
Add : Profit for the year	1,861.58	8,675.76
Add : Remeasurement gain of defined benefit plans, net of tax	3.03	2.29
Closing Balance	(33,648.83)	(35,513.44)
Total Other equity	3,994.94	2,130.33

Nature and purpose of reserves:**Securities Premium Reserve:**

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve:

The company is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Retained Earnings:

Retained Earnings are the profits of the Company earned till date net of appropriations.



All amounts are in ₹ million, unless otherwise stated

Note 17 Non-current borrowings
LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Portion	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured - At amortised cost				
i) Term Loans (Refer Note 17.2, 46, 49,50 and 54) (For interest accrued refer note 20)				
- From Banks	43,080.77	46,777.07	5,845.50	2,144.12
-From Financial Institutions	5,817.36	6,311.02	782.66	289.00
Sub Total	48,898.13	53,088.09	6,628.16	2,433.12
Unsecured - at amortised cost				
i) Debentures (Refer Note 17.1, 46 and 50 below)	-	2,495.69	5,206.12	2,706.12
ii) Debentures from related party (Refer No.15.1, 45a(iii) and 50)	4,743.87	4,743.87	-	-
iii) Term loan from related party (Refer Note 17.3,45a(iii) and 50) (For interest accrued refer note 20)	2,043.28	2,043.28	3,533.67	3,533.67
Sub Total	6,787.15	9,282.84	8,739.79	6,239.79
Total	55,685.28	62,370.93	15,367.95	8,672.91

17.1.Non convertible debentures

Consequent to the approval of Board of Directors of the Company at their meeting held on November 28, 2016, the Company raised funds by way of private placement of 5,000 Secured, unlisted, redeemable non convertible debentures having face value of Rs. 10,00,000 aggregating Rs. 5,000 million. Birla Sunlife Trustee Company Private Limited subscribed for these debentures. The NCD was raised based on the undertaking given by IL&FS Energy Development Company Limited. Non Convertible Debentures carries a rate of interest of 9.80% p.a. These NCD's repayable in two instalments of Rs. 2,500 million each on March 16, 2020 and March 14,2021 respectively.

17.2.Rupee Term Loan:

Long term loans together with interest, additional interest, default interest, upfront fees, costs, charges, expenses are secured in favour of the lenders/security trustees by way of first pari-passu charge without any lender having priority/preference over the other lender and include the following:

- A first charge over all the immovable properties of the Company including leasehold rights if any both the present & future.
- A first charge by way of hypothecation on all moveable assets including but not limited to plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets both present and future.
- A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising.
- A first charge over all Accounts, including without limitation, the Debt Service Reserve Account, the Escrow Accounts, letter of credits, and other reserves and such other Bank Accounts that may be opened in terms of hereof or project documents and over all the funds from time to time deposited therein and over all Authorised Investments or other securities representing all amounts credited thereto.



All amounts are in ₹ million, unless otherwise stated

(e) First Charge by way of mortgage/hypothecation/assignment or otherwise creation of Security interest within 6 months from the date of initial disbursement (a) all right, title benefit, claims and whatsoever of the Company on the Project Documents (b) all rights, title and interest of the Company under all Government Approvals (c) all rights, title, benefit, claims and demand whatsoever of the Company in any Letter of Credit, guarantee and liquidated damages and performance bond provided by any party to the Project Documents (d) all rights, title and interest of the Company in, to and under all Insurance Contracts / Insurance Proceeds.

(f) Non disposal undertaking from the promoter viz. IL&FS Energy Development Company Limited to hold at least 51% of the Paid up capital of the Company.

(g) Pledge of 100% shares of IL&FS Maritime Offshore Pte limited and IL&FS offshore Natural Resources Pte limited held by the company.

(h) There is no loan which is guaranteed by directors or others.

Rate of interest:

As on March 31, 2021, the term loan facility carries a rate of interest calculated at 5 year MCLR(8.45%) of Punjab national bank + 1.95% i.e. 10.40% p.a. The rate of interest shall remain floating throughout the tenor of the loan.

Terms of repayment

Repayable on quarterly instalments till 30.06.2037.

Breach of Loan agreement

Payments towards interest and principal have not been met since October 2018 based on order passed by Honourable NCLAT. Also refer Note 45a(v) and Note 1.1 and 1.2.

17.3.Term Loan from related party

Consequent to the approval of the Board of Directors of the Company at their meeting held on March 23, 2017, the company had availed an unsecured term loan of ₹ 3,270 million from M/s. IL&FS Energy Development Company Limited carrying a rate of 15.50% per annum. 30% of loan amount repayable at the end of 4 the year as first instalment, 30% of loan amount repayable at the end of 5 the year as second instalment and the balance of 40% of loan amount repayable at the end of 6th year as third and final instalment. During the previous year the Company has adjusted the deposit placed with IEDCL along with accrued interest of ₹352.58 million towards repayment of loan.

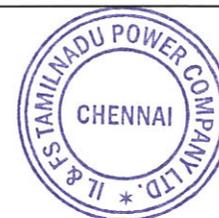
Consequent to the approval of the Board of Directors of the Company at their meeting held on March 29, 2017, the company had availed an unsecured term loan of ₹1,650 million from M/s. IL&FS Energy Development Company Limited carrying a rate of 15.50% per annum repayable within two years from the date of disbursement.

Consequent to the approval of the Board of Directors of the Company at their meeting held on March 29, 2017, the company had availed an unsecured term loan of ₹ 330 million and ₹ 720 million respectively from M/s. IL&FS Energy Development Company Limited carrying a rate of 16% per annum compounded quarterly repayable within two years from the date of disbursement.

The Company has accrued interest on loans from related parties only till 15.10.2018 based on advisory issued by IL&FS Group. The Company has netted off the margin money deposit and interest accrued on such margin money deposit with term loan balance as at March 31, 2019. The same is carried forward in the previous and current financial year. Also refer Note 45a(iii) and Note 1.2.

Note 18: CURRENT BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
a. Short Term Loan		
- from Related parties (Refer Note 18.1 below and 45a(iii)) (For interest accrued refer note 20)	749.41	749.41
Secured - at amortised cost		
a. Loan repayable on demand (Refer Note 18.2, 46, 49 and 54) (For interest accrued refer note 20)		
- from banks	8,519.83	8,519.83
Total	9,269.24	9,269.24



All amounts are in ₹ million, unless otherwise stated

18.1.The Company has availed the following unsecured short term loans from its holding company IL&FS Energy Development Company Limited. Outstanding balance as on March 31, 2021 and March 31, 2020 is given below.

Facility Amount	Rate of interest	Date of Loan taken	Balance as at 31st Mar 2021	Balance as at 31st Mar 2020
123.60 million	16% p.a. compounding quarterly	11-Sep-17	24.54	24.54
123.60 million	16% p.a. compounding quarterly	12-Mar-18	120.82	120.82
314.05 million	NIL	19-Jan-18	314.05	314.05
290.00 million	NIL	28-Mar-18	290.00	290.00

The above loans were overdue since March 2019. No extensions were granted to the Company. The Company has accrued interest on loans from related parties only till 15.10.2018 based on confirmation received from Group. Also refer Note 45a(iii) and Note 1.2.

18.2.Loans repayable on demand from banks represents cash credit facilities availed by the Company. The principal moneys due from time to time and all interest thereon calculated from day to day at the rate hereinafter mentioned, additional interest, interest tax at the rate as in force, and the amount of all charges, commission and expenses etc. are secured by way of first pari-passu charge on:-

i. The present and future stocks of raw materials including in transit, work in process stores and spares (hereinafter referred to as the Goods), which belong to it and which now or hereinafter from time to time during the continuance of this agreement shall be brought in, stored or be in or about its premises or godowns at Cuddalore or any other godowns or be in the course of transit from one godown to another or wherever else the same may be and

ii. the present and future book debts, operating cash flows, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other moveable assets excluding bills purchased/discounted by Bank and bills against which advances have been made (all of which are hereinafter referred to as 'Book Debts') which belong to the Borrower and which now or hereinafter from time to time during the continuance of this Agreement may belong to it (the said 'Goods' and 'Book Debts' are hereinafter referred to as 'hypothecated assets'/'the Securities' apart from other Securities as more fully described in the Schedule hereto), as security for payment of the balance due to the Bank by the Borrower at any time or ultimately found due on the Bank by them at any time or ultimately found due on the closing of the said Accounts and for payment of all debts and liabilities mentioned hereafter.

None of the short term borrowings are guaranteed by Directors.



IL&FS TAMILNADU POWER COMPANY LIMITED
Notes to the Standalone Financial Statements
for the year ended March 31, 2021



All amounts are in ₹ million, unless otherwise stated

Note 19 Trade Payables

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Trade payables	4,349.53	3,921.65
	4,349.53	3,921.65

There are no overdue amounts payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year. Also refer Note 45a and 45b

Note 20 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
At Amortised Cost				
(a) Current maturities of long-term debt(Refer Note.17)	-	-	15,367.95	8,672.91
(b) Interest accrued and due on borrowings (Refer note 1.2)	-	-	1,440.63	1,440.63
(c) Payable for fixed asset	-	-	5,906.18	5,965.14
(d) Retention money payable	-	-	2,275.68	2,324.78
(e) Others				
- Security deposits payable	-	-	0.26	0.26
- Employee benefits payable	-	-	1.55	0.34
	-	-	24,992.25	18,404.06

Also refer Note 45a and 45b

Note 21 Other liabilities

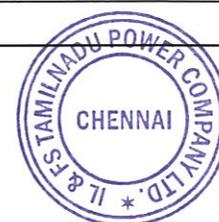
Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Statutory remittances (Contributions to PF and NPS, Withholding Taxes, GST etc.)	-	-	4.45	12.11
b. Advances from Customers	-	-	14.25	4.84
c. Deferred Government Grant (Refer note 21.1 below)	8,488.45	8,750.10	248.36	235.95
	8,488.45	8,750.10	267.06	252.90

21.1. Movement in Government Grant (refer note 52)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	8,986.05	9,236.03
Received during the year	-	-
Released to the Statement of Profit and Loss	(249.24)	(249.98)
Balance at the end of the year	8,736.81	8,986.05
Current	248.36	235.95
Non Current	8,488.45	8,750.10

Note 22 Provisions

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences and leave travel allowance	12.76	11.94	2.96	3.38
	12.76	11.94	2.96	3.38



All amounts are in ₹ million, unless otherwise stated

NOTE 23 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Revenue from operations		
Sale of power	25,116.92	32,341.70
Less: Rebate Allowed	-	(147.79)
	25,116.92	32,193.91
(b) Other operating revenues		
- sale of by-product	51.35	62.07
- interest on overdue receivables	2,472.97	1,820.64
- Deferred income	249.24	249.98
	27,890.48	34,326.60

Timing of Revenue Recognition:

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and services recognised at a point of time	27,641.24	34,076.62
Goods and services transferred over a period of time	249.24	249.98

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	18,749.28	18,092.17
Contract Assets (unbilled revenue)	2,589.30	3,150.38
Contract Liabilities (advance from customers)	14.25	4.84

Set out below is the amount of revenue recognised from:

Particulars	As at March 31, 2021	As at 31st March, 2020
Amount included in contract liabilities at the beginning of the year	4.84	158.25

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

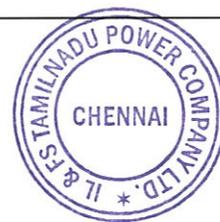
Particulars	As at March 31, 2021	As at 31st March, 2020
Revenue as per contracted price	25,116.92	32,341.70
Adjustments		
Discount allowed	-	(147.79)
Revenue from contract with customers	25,116.92	32,193.91

Break up of revenue from operations:

Particulars	As at March 31, 2021	As at 31st March, 2020
Revenue from operations		
In India	25,116.92	32,341.70
Outside India	-	-

Note 24 Other Income

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss				
On Deposits	279.58		120.83	
On Income Tax Refund	0.85		-	
		280.43		120.83
(b) Net gain on foreign currency transaction and translation		68.55		104.70
(c) Other non-operating income		10.78		34.76
(d) Provisions no longer required		10.90		8.25
		370.66		268.54



All amounts are in ₹ million, unless otherwise stated

Note 25 Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Coal and limestone	12,106.05	19,821.68
(b) Oil	40.38	37.07
(c) Stores, spares and consumables	141.53	222.61
Total	12,287.96	20,081.36

NOTE 26 Other Direct Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Operation & Maintenance	473.41	467.46
(b) Railway freight & detention charges	4.07	3.40
(c) SRLDC Charges	63.19	98.01
Total	540.67	568.87

Note 27 Employee Benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries, Wages and Bonus	173.37	180.30
(b) Contribution to Provident and Other Funds	13.31	15.48
(c) Staff Welfare expenses	1.69	2.25
Total	188.37	198.03

Note 28 Finance Cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i) Interest costs (refer note 1.2 and 50)		
(a) Debentures	-	-
(b) Loans	-	-
(c) On long term financial liabilities	-	-
(d) On derecognition of financial liabilities measured at amortised Cost	-	130.92
(ii) Other borrowing costs*	149.61	181.91
	149.61	312.83

*Other borrowing costs includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.



All amounts are in ₹ million, unless otherwise stated

Note 29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation/amortisation on		
a. Property, plant and equipment	1,986.17	2,011.41
b. Intangible assets	-	-
	1,986.17	2,011.41

Note 30 Other expenses

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Power and Fuel		1.25		1.24
Rent		13.57		14.09
Repairs and Maintenance				
- Buildings	20.95		20.53	
- Others	70.99	91.94	91.96	112.49
Insurance		115.92		116.62
Rates and Taxes		14.68		27.68
Communication Expenses		0.22		0.29
Travelling and Conveyance		11.94		12.73
Printing and Stationery		0.31		0.41
Auditors' Remuneration		3.86		3.30
Legal and Professional Expenses		69.34		50.31
Directors Sitting Fees		0.53		0.32
Green belt and Environmental Expenses		7.64		5.87
Security Expenses		74.69		70.59
Long Term Open Access relinquishment charges		-		655.70
Provision for doubtful debts(ECL)		1,242.96		1,010.19
Corporate Social Responsibility expenditure		5.35		7.93
Impairment of Property, Plant & Equipment (Refer note 43)		5,611.40		-
Impairment of Financial Asset (Refer note 41)		3,444.35		430.08
Impairment of Capital Work In Progress (Refer note 44)		331.82		225.09
Provision for aged spares		118.84		-
Trade receivables written off		-		-
Loss of property due to cyclone		75.82		-
Loss of stock during transit		9.30		-
Miscellaneous Expenses		1.05		1.95
		11,246.78		2,746.88

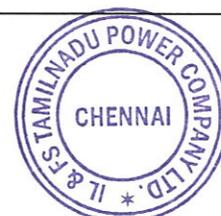
30.1. Income taxes

	Year ended March 31, 2021	Year ended March 31, 2020
A. Amount recognised in statement of profit and loss		
Current tax (a)		
Current period	468.56	2,183.69
Deferred tax (b)		
Attributable to - Origination and reversal of temporary differences	(468.56)	(2,183.69)
Total income tax expense recognised in the current year relating to continuing	-	-

B. Reconciliation of effective tax rate

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax as per Statement of Profit and loss	1,861.58	8,675.76
Income tax using the company's domestic tax rate @ 25.17%	468.56	2,183.69
Effect of:		
- Provision for loss allowance	312.85	252.19
- Disallowance of impairment of financial assets, PPE & CWIP and CSR	2,394.11	166.90
- Finance cost and employee benefit plans	0.76	33.32
- Others	-	18.55
- Difference in depreciation in books vs income tax depreciation	(1,407.53)	(2,001.53)
- Brought forward losses and unabsorbed depreciation on which DTA was not created	(1,706.02)	(590.20)
- Income exempt from tax (Revenue recognition of government grants)	(62.73)	(62.92)
Income tax recognised in Statement of Profit and Loss	(0.00)	0.00

During the previous year ended March 31, 2020, the Company evaluated the option given under the New Tax Ordinance and found that it would be beneficial to opt for the new tax regime. The company has adopted new tax regime under section 115 BBA of the Income Tax Act, 1961 from the FY 2019-20 onwards.



All amounts are in ₹ million, unless otherwise stated

Note 30.2. Recognised deferred tax assets and liabilities

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	-	-	7,672.20	6,823.89	7,672.20	6,823.89
Provision for employee benefits	(3.96)	(3.86)	-	-	(3.96)	(3.86)
Loss allowance on trade receivables	(892.55)	(582.44)	-	-	(892.55)	(582.44)
Unabsorbed depreciation	(6,775.69)	(6,237.59)	-	-	(6,775.69)	(6,237.59)

The Company has recognised deferred tax asset on unabsorbed depreciation/carry forward losses to the extent of the deferred tax liability. No deferred tax asset has been recognised on the above unutilised tax losses and unabsorbed depreciation for the matters as disclosed in Note 1.2.



All amounts are in ₹ million, unless otherwise stated

31. Details of CSR Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the Company during the year	NIL	NIL
Amount spent during the year	Paid in cash	Paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	5.35	7.93

32. Payment to auditors

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor:		
Audit Fee	3.86	3.30
Tax audit Fee	-	-
In other capacity		
Fee for certificates and other services	0.05	0.10
Out of pocket expenses	-	0.03
	3.91	3.43

33. Operating lease arrangements

33.1 Company as Lessee

The Company has taken office premises on operating lease.

33.2 Payments recognised as expense in the statement of profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental expenses	13.57	14.09



All amounts are in ₹ million, unless otherwise stated

34. Contingent Liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. As stated in Note 45b the Company has also received claims from the creditors through the claims management process discussed in that note. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Bank Guarantee provided to customs department in relation to grant (refer note 53)	4,302.30	4,302.30
(b) Other Bank Guarantees	1,890.43	2,922.27
(c) Disputed Stranded Capacity as per the order of CERC under appeal before Appellate Tribunal for Electricity, New Delhi.	44.70	121.48
(d) Claims against the company not acknowledged as debt (refer note 45 (a)(v) and 45(b))	26,263.21	17,127.26

There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

35. Commitments

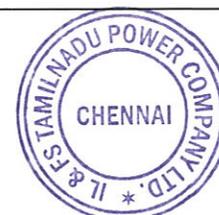
Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of capital commitments remaining to be executed net of advances	935.74	935.74

36. Segment Information

The primary reporting of the Company has been made on the basis of business segment. The Company has only one business segment as defined in Ind AS 108, which is the generation & supply of electricity. Accordingly, the amounts appearing in these financial statements relate to this primary business segment.

Since, all the segment assets are in India, there are no separate geographical segment details required to be disclosed.

We do not identify or allocate assets by operating segment, nor does the chief operating decision maker evaluate operating segments using discrete asset information. We have no material intersegment revenue. The accounting policies of the segments are consistent with those described in summary of significant accounting policies and practices.



All amounts are in ₹ million, unless otherwise stated

37. Employee benefit plans

A. Defined contribution plans

The Company makes Provident Fund and NPS contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

During the year the following amounts have been recognised in the Profit and loss Statement on account of defined contribution plans:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Employers contribution to Provident Fund	8.10	8.57
Employers contribution to National Pension Scheme	0.54	0.57

B. Defined benefit plans :

Gratuity -

Under the Gratuity plan operated by the Group, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

a. Change in defined benefit obligation

Particulars	Gratuity (Funded)	
	March 31, 2021 In ₹	March 31, 2020 In ₹
Present Value of obligations at the beginning of the year	28.87	25.54
Current service cost	5.16	5.58
Interest Cost	1.77	1.82
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	(2.75)	(2.07)
Benefits paid	(2.98)	(2.00)
Present Value of obligations at the end of the year	30.07	28.87

b. Changes in the fair value of planned assets

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at beginning of year	31.45	20.86
Return on plan assets	1.95	1.86
Contributions from the employer	0.32	10.49
Benefits Paid	(2.98)	(2.00)
Re-measurements:		
Return on planned assets	0.29	0.24
Fair Value of plan assets at the end of the year	31.03	31.45

c. Amounts recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Projected benefit obligation at the end of the year	30.07	28.87
Fair value of plan assets at end of the year	(31.03)	(31.45)
Funded status of the plans – Liability recognised in the balance sheet	(0.96)	(2.58)

d. Components of defined benefit cost recognised in profit or loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	5.16	5.58
Net Interest Expense		
Interest cost on DBO	1.77	1.82
Less: Interest income on plan assets	(1.95)	(1.86)
Net Cost in Profit or Loss	4.98	5.54

e. Components of defined benefit cost recognised in Other Comprehensive income

Particulars	March 31, 2021	March 31, 2020
Remeasurement on the net defined benefit liability:	(2.74)	(2.07)
- Actuarial gains and losses arising from experience adjustment		
Return on plan assets	(0.29)	(0.22)
Net Cost in Other Comprehensive Income	(3.03)	(2.29)



All amounts are in ₹ million, unless otherwise stated

f. Significant actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.60%	6.48%
Expected rate of salary increases	5.00%	5.00%
Expected rate of attrition	9.00%	9.50%
Average age of members	37.00	36.40
Average remaining working life	9.00	8.70
Mortality (IALM (2006-2008) Ultimate)	100%	100%

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	March 31, 2021	March 31, 2020
Discount rate		
- 0.50% increase	29.16	28.00
- 0.50% decrease	31.04	29.77
Salary growth rate		
- 0.50% increase	31.10	29.83
- 0.50% decrease	29.09	27.94

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years. The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

The Company's best estimate of the contribution expected to be paid to the plan during the next year NIL (PY:NIL).

Effect of Plan on Entity's Future Cash Flows:

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows) - 6 years (as on March 31, 2019-6.9 years)

c) Expected Benefit payments in the following years:

Year 1	2.76
Year 2	3.79
Year 3	2.84
Year 4	7.14
Year 5	2.56
Next 5Years	11.13

C. Long Term Compensated Absences

The assumptions used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Assumptions	March 31, 2021	March 31, 2020
Discount rate	6.60%	6.48%
Attrition Rate	9.00%	9.50%
Expected rate of salary increases	5.00%	5.00%



All amounts are in ₹ million, unless otherwise stated

38. Earnings per Share:

a. Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

b. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Basic Earnings per share	9.30	43.33
Diluted Earnings per share	7.10	28.40

38.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(Loss) after Tax	1,861.58	8,675.76
Earnings used in the calculation of basic earnings per share	1,861.58	8,675.76
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	200.21	175.97
Add: Equity shares to be Issued (Refer note below)		24.24
Number of equity Shares of ₹ 10 each outstanding at the end of the year	200.21	200.21
Weighted Average number of Equity Shares	200.21	200.21

38.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Earnings used in the calculation of basic earnings per share	1,861.58	8,675.76
Adjustments: Interest on Fully convertible debentures	-	-
Earnings used in the calculation of diluted earnings per share	1,861.58	8,675.76

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Weighted average number of equity shares used in the calculation of basic earnings per share	200.21	200.21
Potential Equity shares to be issued Fully convertible debentures*	61.82	105.24
Weighted average number of equity shares used in the calculation of diluted earnings per share	262.03	305.45

* For the purpose of calculation of diluted EPS, the weighted average number of diluted equity shares including 61.82 million (March 31, 2020: 105.24 million) potential equity shares determined based on the enterprise valuation of the company performed as at March 31, 2021 arising from the contractual terms regarding the conversion of FCCDs issued by the company into equity.



All amounts are in ₹ million, unless otherwise stated

39. Related party transactions

List of related parties and relationship

a. Ultimate Holding Company

Infrastructure Leasing & Financial Services Limited (IL&FS Ltd)

b. Holding Company

IL&FS Energy Development Company Limited (IEDCL)

c. Subsidiaries

ILFS Maritime Offshore Pte Limited (IMOL) – Wholly Owned Subsidiary
IL & FS Offshore Natural Resources Pte Limited (IONRL) – Step Subsidiary
PT Bangun Asia Persada (PT BAP) – Step Subsidiary
PT Mantimin Coal Mining (PT MCM) – Step Subsidiary
Se7en Factor Corporation (SFC) – Step Subsidiary

d. Fellow Subsidiaries

IL&FS Financial Services Limited
IL&FS Environmental Infrastructure Services Limited
IL&FS Maritime Infrastructure Company Limited
IL&FS Education and Technology Services Limited
IL&FS Engineering & Construction Company Ltd
Porto Novo Maritime Limited
IL&FS Cluster Development Initiative Limited
ISSL Settlement & Transaction Services Ltd
IL&FS Transportation Networks Limited
IL & FS Technologies Limited
Livia India Limited

e. Joint Ventures

Cuddalore Solar Power Private Limited

f. Key Management Personnel

Sanjeev Seth, Managing Director (w.e.f. 25-01-2021)
Sushil Kumar Agarwal, Chief Financial Officer (w.e.f. 07-06-2021)
Harshlatha J Lalwani, Company Secretary (w.e.f 03-12-2021)
N.Ramesh, Chief Executive officer (Till 31-05-2021)
N K Balaji, Chief Financial Officer (Till 31-03-2021)
Priya Iyer, Company Secretary(Till 13-08-2021)

g. Non Executive directors

Malini Vijay Shankar (w.e.f. 31-01-2020)
Neerav Yashwant Kapasi (w.e.f. 02-12-2020)
Feby Koshy Bin Koshy (w.e.f. 02-12-2020)
Vineet Nayyar(ceased to be director w.e.f. 1st November, 2020)
Ashwani Kumar(ceased to be director w.e.f. 15th October, 2020)
Maharudra Manohar Wagle (ceased to be Director w.e.f. 17th August, 2020)

Nature of transaction with related parties

Particulars (Also refer note 41, 44, 45 and 52)	As at March 31, 2021	As at March 31, 2020
Issue of Share Capital		
Infrastructure Leasing & Financial Services Limited	-	242.38
Security Premium on conversion of Debentures		
Infrastructure Leasing & Financial Services Limited	-	5,146.90
Conversion of debentures		
Infrastructure Leasing & Financial Services Limited	-	(5,389.28)
Rental income		
IL&FS Maritime Infrastructure Company Limited	0.14	0.12
Porto Novo Maritime Limited	0.14	0.12



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Particulars	As at March 31, 2021	As at March 31, 2020
Repairs and maintenance		
Infrastructure Leasing & Financial Services Limited	-	1.35
Impairment of loans given		
ILFS Maritime Offshore Pte Limited	1,701.06	430.08
Impairment of CWIP		
IL&FS Maritime Infrastructure Company Limited	-	223.74
Impairment of Investment		
IL&FS Maritime Offshore Pte Limited	1,742.64	35.54
Particulars	As at March 31, 2021	As at March 31, 2020
Remuneration to key management personnel paid during the year		
a)Salary including perquisites		
Sanjeev Seth	2.38	-
N Ramesh	12.33	12.28
N K Balaji	6.50	5.78
Priya Iyer	0.85	0.84
Sitting fee paid to non whole time directors	0.53	0.25



IL&FS TAMILNADU POWER COMPANY LIMITED
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Balance outstanding with related parties:

Particulars	As at March 31, 2021	As at March 31, 2020
Year-end payable balances		
IL & FS Energy Development Company Limited	169.07	169.07
Infrastructure Leasing & Financial Services Limited	878.68	878.68
IL&FS Environmental Infrastructure Services Limited	5.19	5.19
IL&FS Financial Services Limited	255.09	255.09
IL&FS Technologies Limited	0.10	0.10
Porto Novo Maritime Limited	55.53	55.53
IL&FS Maritime Infrastructure Company Limited (Refer note 45a (ii))	1,745.26	1,745.26
Year-end receivable balances		
IL&FS Environmental Infrastructure Services Limited	1.25	1.25
Porto Novo Maritime Limited	1.31	1.17
IL&FS Maritime Infrastructure Company Limited	2.86	2.71
Share Capital		
IL & FS Energy Development Company Limited	1,607.98	1,607.98
A S Coal Resources Pte Limited	151.72	151.72
Infrastructure Leasing & Financial Services Limited	242.38	242.38
Security Premium on Conversion of Debentures		
IL & FS Energy Development Company Limited	32,187.84	32,187.84
A S Coal Resources Pte Limited	96.79	96.79
Infrastructure Leasing & Financial Services Limited	5,146.90	5,146.90
Inter-company borrowings received		
IL & FS Energy Development Company Limited	6,326.36	6,326.36
Debentures outstanding(including interest accrued)		
IL & FS Energy Development Company Limited	4,743.87	4,743.87
Investments (net of impairment)		
ILFS Maritime Offshore Pte Limited (Refer note 41)	612.46	2,355.10
Cuddalore Solar Power Company Ltd	-	0.18
Financial Asset-Loans (net of impairment)		
ILFS Maritime Offshore Pte Limited (Refer note 41)	-	1,744.60
Infrastructure Leasing & Financial Services Limited	0.03	0.03
Other Financial Liabilities-Interest accrued		
IL & FS Energy Development Company Limited	1,331.06	1,331.06
IL&FS Transportation Networks Limited	22.26	22.26



All amounts are in ₹ million, unless otherwise stated

40. Financial instruments

40.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents. (Also refer note 54)

The following table summarises the capital of the Company:

Particulars	As at 31 March 2021	As at 31 March 2020
Equity	5,153.11	3,288.50
Debt	80,322.47	80,313.08
Cash and cash equivalents	(17,109.08)	(3,044.04)
Net debt	63,213.39	77,269.04
Total capital (equity + net debt)	68,366.50	80,557.54
Net debt to Total capital(equity+Net debt) ratio	0.92	0.96

40.2 Categories of financial instruments

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets-Non Current		
at amortised cost		
(i) Investments	612.58	2,355.40
(ii) Trade Receivables(refer note 42)	2,220.95	2,220.95
(iii) Other financial assets	1,716.65	1,430.41
Financial assets-Non Current		
at amortised cost		
(i) Trade Receivables(refer note 41)	16,528.33	15,871.22
(ii) Cash and Cash Equivalents	17,109.08	3,044.04
(iii) Bank balances other than (ii) above	713.41	1,220.02
(iv) Loans (refer note 41)	-	1,744.60
(v) Other Financial assets	2,691.84	3,227.55
Financial Liabilities-Non Current		
at amortised cost		
(i) Borrowings(refer note 15,17,45a(iii),46 and 51)	55,685.28	62,370.93
(ii) Other financial Liabilities	-	-
Financial Liabilities-Current		
at amortised cost		
(i) Borrowings(refer note 18,45a(iii),46 and 51)	9,269.24	9,269.24
(ii) Trade Payables	4,349.53	3,921.65
(iii) Other financial Liabilities	24,992.25	18,404.06



All amounts are in ₹ million, unless otherwise stated

40.3 Financial Risk Management Objective and Policies:

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to market risk, credit risk, and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure of ₹ 69,252.24 million as on 31st March, 2021 and ₹ 69,242.85 millions as on 31st March, 2020 and all other variables were held constant, the Company's profit for the year would increase or decrease as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact on Profit or Loss for the year	346.26	346.21

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

Every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S.dollar on the exposure of \$ 31.48 million as on 31st March, 2021 and \$ 31.67 million as on 31st March, 2020, would have affected the Company's profit for the year as follows:

Particulars	Impact of change in USD to INR rate	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Impact on Profit or Loss for the year	(23.13)	(23.88)

Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:

1. Purchase of Coal
2. Foreign currency payables on account of project liabilities.

The Company has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward covers) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies. Consequent to matters described in Note 1.2 above, the Company has not hedged any of its exposure during the year.



All amounts are in ₹ million, unless otherwise stated

i) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	Liabilities		Liabilities	
	USD		INR	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Outstanding value of retention money/ Liabilities in respect of project contracts	47.29	47.29	3,476.13	3,565.09
Payables towards purchase of raw material	10.80	10.60	793.77	799.03
Total	58.09	57.89	4,269.90	4,364.12

Particulars	Asset		Asset	
	USD		INR	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Interest accrued on loan given to Wholly Owned Subsidiary	29.56	29.56	2,172.63	2,228.72
Loan given to wholly owned subsidiary	60.00	60.00	4,410.74	4,523.15
Total	89.56	89.56	6,583.37	6,751.87

c) Commodity price risk

The company operating activities require the on-going purchase of coal and other fuel. This is affected by the price volatility of certain commodities. The company is hedging the same by procuring the coal in the current market and keeping a close tap of the price with the cost of generation thereby ensuring this does not result in negative operating margins.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is having majority of receivables from State Electricity Boards which are Government undertakings and hence they are secured from credit losses in the future. Though there are delays in payments there is no risk with regard to certainty of collection. Refer Note 6.3 for credit concentration.



All amounts are in ₹ million, unless otherwise stated

40.4 Liquidity risk management

The Company endeavour to manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Consequent to matters described in Note 1.2 above, the Company's funds management has undergone a change. Currently, the Company solely depends on its ability to collect money from its power sale customers which in turn effects the procurement plan and this can have cascading effect on declaring availability and generation of power.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments as at March 31, 2021:

Particulars	Carrying amount	up to 1 year	1-5 year	More than 5 year	Total contracted cash flows
Borrowings (including current maturities of long term borrowings)	80,322.47	24,637.19	20,130.97	35,554.31	80,322.47
Trade Payables	4,349.53	4,349.53	-	-	4,349.53
Other Financial Liabilities	9,624.30	9,624.30	-	-	9,624.30
Total	94,296.30	38,611.02	20,130.97	35,554.31	94,296.30

The table below provides details of financial assets as at 31 March 2021:

Particulars	Carrying amount
Trade receivables	18,749.28
Other financial assets	22,843.56
Total	41,592.84

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments as at March 31, 2020:

Particulars	Carrying amount	up to 1 year	1-5 year	More than 5 year	Total contracted cash flows
Borrowings (including current maturities of long term borrowings)	80,313.08	17,942.15	31,626.92	30,744.01	80,313.08
Trade Payables	3,921.65	3,921.65	-	-	3,921.65
Other Financial Liabilities	9,731.15	9,731.15	-	-	9,731.15
Total	93,965.88	31,594.95	31,626.92	30,744.01	93,965.88

The table below provides details of financial assets as at 31 March 2020:

Particulars	Carrying amount
Trade receivables	18,092.17
Other financial assets	13,022.02
Total	31,114.19



All amounts are in ₹ million, unless otherwise stated

40.5. Financial Instruments

Fair Values:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Carrying value	Fair Value through profit or loss	Fair value	Carrying value	Fair Value through profit or loss	Fair value
Financial assets						
Financial assets at amortised cost:						
- Trade receivables	18,749.28	-	18,749.28	18,092.17	-	18,092.17
- Cash and cash equivalents	17,109.08	-	17,109.08	3,044.04	-	3,044.04
- Bank balances other than cash and cash equivalents	713.41	-	713.41	1,220.02	-	1,220.02
- Investments	612.58	-	612.58	2,355.40	-	2,355.40
- Loans	-	-	-	1,744.60	-	1,744.60
- Other financial assets	4,408.50	-	4,408.50	4,657.96	-	4,657.96
Particulars	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	Fair Value through profit or loss	Fair value	Amortised cost	Fair Value through profit or loss	Fair value
Financial liabilities						
Financial liabilities at amortised cost:						
Borrowings	80,322.47	-	80,322.47	80,313.08	-	80,313.08
Trade payables	4,349.53	-	4,349.53	3,921.65	-	3,921.65
Other financial liabilities	9,624.30	-	9,624.30	9,731.15	-	9,731.15

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Derivatives are fair valued using market observable rates.

41. Investments in and loans due from ILFS Maritime Offshore Pte Ltd

As at March 31, 2021, the Company had investments of Rs 2,355.10 million in, and dues of Rs 6,583.37 million (represented by loans of Rs 4,410.74 million as at March 31, 2021 and interest accrued of Rs 2,172.63 million for the period up to March 31, 2018) recoverable from IL&FS Maritime Offshore Pte Ltd ("IMOL"), a subsidiary of the Company. IMOL is primarily a holding company with investments in its subsidiary PT Mantimin Coal Mining, Indonesia ("PTMCM"), which is currently developing a coal mine in Indonesia. Further to the advisory issued by the IL&FS group in the year ended March 31, 2019, no interest has been accrued for the years ended March 31, 2019, March 31, 2020 and March 31, 2021.

Having regard to the investments made and the operating status of IMOL and PTMCM, as at March 31, 2021, Management determined that amounts aggregating Rs 8,326.01 million (representing 93.13% of the total value investments in and loans to IMOL as at March 31, 2021) are impaired and hence, considered not recoverable. Accordingly, the Company made an additional provision of Rs 3,443.70 million (Rs 1,701.06 million in respect of loans due from IMOL, and Rs 1,742.64 million in respect of Investments in shares of IMOL) in the current financial year.

As a result, the Company carries investments of Rs 612.46 million (March 31, 2020 - Rs 2,355.10 million), and loans (net of provision) of Rs NIL (March 31, 2020 - Rs 1,744.60 million), in respect of IMOL, in these financial statements (refer Note 5 and note 12).



All amounts are in ₹ million, unless otherwise stated

42. Trade receivables

a) Amount receivable for Tamil Nadu Generation and Distribution Corporation Limited ('TANGEDCO')

In terms of the Power Purchase Agreement dated December 12, 2013 (the "PPA") entered into between the Company and TANGEDCO, the Company carries the following in these financial statements as at March 31, 2021:

- a. Trade receivables of Rs 2,660.72 million and unbilled revenues of Rs 1,082.09 million (previous year – Trade receivable Rs.9,970.97 million and unbilled revenue Rs 1,323.72 million) both in respect of sale of power, and after considering collections receipt subsequent to year end;
- b. Trade receivables towards change in law claims of Rs 2,220.95 million as allowed by the PPA (previous year – Rs 2,220.95 million);
- c. Trade receivables towards interest on overdue payments up to March 31, 2021 of Rs 6,071.56 million (previous year – Rs 3,889.52 million)

In respect of (a) above, Management is of the view that delays on the part of TANGEDCO are due to cash flows constraints of TANGEDCO. However, Management is confident that such dues will be recovered in due course, and no provision is required there against.

In respect of (b) above, the Company received favourable order dated May 31, 2021 in respect of claims submitted with the Central Energy Regulatory Commission (CERC). This order is subject to any review or appeal by TANGEDCO. Accordingly, management believes that these dues are fully recoverable, and no provision is required to be made in this regard.

In respect of (c) above, based on its assessment of recoverability of these amounts, management is of the view that a provision of Rs 3,035.78 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements.

b) Amounts receivable from PTC India Limited ("PTC")

In terms of the Power Purchase Agreement dated December 12, 2013 entered into between the Company and PTC, the Company has recorded the following in these financial statements:

- a) Trade receivables of Rs 867.75 million in respect of invoices for the month of April 2019 and for the month of February 2020 to May 2020 and February 2021 (net of collections received subsequent to year-end, which have been adjusted against to the respective invoice)
- b) Unbilled revenues of Rs 1,507.21 million in respect of March 2021 (net of collections received subsequent to year-end till even date), towards supply of electricity and late payment surcharge, and
- c) Trade receivables towards interest on overdue payments up to March 31, 2021 of Rs 278.14 million.

In respect of (a) & (b) above, Management is of the view that delays on the part of PTC are due to cash flows constraints of PTC, which are believed to be temporary in nature. Accordingly, Management is of the view that such dues will be recovered in due course, and no provision is required there against.

In respect of (c) above, based on its assessment of recoverability of these amounts, management is of the view that a provision of Rs 139.07 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements.

43. Impairment of Property, Plant and Equipment ("PP&E")

The Company has constructed a thermal based power project of 1200 Mega Watt (MW) in two units (Unit I and Unit II) of 2 X 600 MW each (during Phase I). Unit I achieved its Commenced Operations Date ("COD") in the year 2015-16, and Unit II achieved COD in the year 2016-17. The Company entered into a Power Purchase Agreement ("PPA") with TANGEDCO in respect of Unit I, for a period of 15 years, effective June 01, 2014. In respect of Unit II, the Company has entered into a PPA effective April 1, 2019, for a period of 3 years.

Management performed an assessment of the recoverable amount of the above-mentioned Cash Generating Unit (CGU), and related provision for impairment, as at March 31, 2021, under the requirements of Ind-AS 36, Impairment of Assets. The Management obtained a third-party valuation on a Fair Market Value less cost of disposal of the CGU and also calculated value in use based on present value of future cash flows. The recoverable amount considered for above CGU, is Rs.53820.50 millions being the value in use based on present value of future cash flows. Consequently, an impairment loss provision of Rs. 5,611.40 million was recognised during the year ended March 31, 2021.

In respect of the above, management estimated the value in use using discounted future cash flows from the power plant over its remaining useful life. In making these estimates, management relied on internal and external estimates for significant inputs, including future price of the coal, foreign exchange rates and terminal values, weighted average cost of capital and made certain assumptions relating to future tariff and estimate of operational performance. Any future changes to such assumptions could affect the discounted cash flows and, consequently, the recoverable amounts and the provision for impairment made in this regard.



All amounts are in ₹ million, unless otherwise stated

44. Capital work in progress ("CWIP") relating to construction of jetty

As at March 31, 2020 the company carried CWIP of Rs 331.82 million (net of impairment provisions till that date) in the financial statements representing costs incurred towards construction of a jetty near the Company's power plant in Tamil Nadu. During the year, based on the current status of the project, funding requirements and other factors, the Company has recognised a provision for impairment for the entire balance of CWIP amounting to Rs. 331.82 million as at March 31, 2021.

45a. Commercial arrangements and claims received

(i) The Company had raised funds by way of private placement of two Secured, Unlisted, Redeemable Non-Convertible Debentures ("NCD") having face value of Rs.10,00,000 each, aggregating Rs.5,000 Million, backed by corporate guarantee and/or undertakings by IL&FS and IL&FS Energy Development Company Limited (IEDCL). Pursuant to an arrangement with IL&FS, the Company was required to pay monitoring fees to IL&FS in respect of the above-mentioned private placement of NCDs. Subsequent to the downgrading of credit rating of IL&FS after October 2018, holders of NCDs of the Company have increased interest rates on NCDs issued by the Company. As result of the foregoing, management concluded that the arrangement with IL&FS and IEDCL became infructuous from October 15, 2018 and April 1, 2019, respectively. Accordingly, no expenses in this regard have been accounted for by the Company in the previous year and current year.

(ii) The Company entered into an agreement dated May 25, 2017 with IL&FS Maritime Infrastructure Company Limited ("IMICL"), an IL&FS group company, for providing coal handling services to the Company. As per the said agreement, the Company was required to pay fixed charges on yearly basis to IMICL in addition to variable charges per tonne of coal handled. Such charges had been waived by IMICL from 2018-19. In addition, the Company was liable to pay interest on delayed payment of dues pertaining to the period from July 1, 2017 to March 31, 2018, aggregating to Rs 386.30 million as on March 31, 2019. This contract with IMICL was terminated by the Company effective April 1, 2019. Against the above, an amount of Rs 278.86 million has been claimed by IMICL on the Company, including as part of the claims process as at March 31, 2021 (refer Note 45b). The Company has not admitted these claims, and hence has not accounted for such costs in these financial statements. No such claims have been made on the Company, or been recorded by the Company, in respect of the current financial year.

(iii) As at March 31, 2021, the Company had borrowings from IEDCL, its holding company, represented by debentures (Note 17) and term loans (Note 17 and 18), in respect of which interest expenses was recognised till October 15, 2018. Further to the matters stated in note 1.1 and 1.2 above, no interest has been recognised from October 16, 2018 on such borrowings which aggregates to Rs. 4,490.70 million as at March 31, 2021 including Rs. 1,955.81 million in respect of the current financial year.

(iv) The Company had entered into an agreement with Porto Novo Maritime Limited ('PNML') (more fully discussed in Note 51a), in respect of which, interest expenses aggregating to Rs 705.34 million as at March 31, 2021, including Rs 198 million in respect of the year ended March 31, 2021, which are contractually payable to PNML, have not been accounted for by the Company. Against the above, an amount of Rs 218.75 million has been claimed by PNML through the claims process (refer Note 45b) or otherwise.



All amounts are in ₹ million, unless otherwise stated

(v) As a result of the various matters stated in Note 1.2 to these financial statements, in respect of the previous financial year, management has determined at the time that no interest will be payable by the Company, on loans from banks, debentures other than in Note 45(a)(iii) above (for the period after October 15, 2018), and cash credit accounts (for the period after October 31, 2018). Accordingly, the Company has not recognised finance costs aggregating to Rs. 20,801.37 million approximately as at March 31, 2021 (Rs 11,726.17 million as at March 31, 2020) which has been included under contingent liabilities (Note 34). Further, as the Company had paid interest till October 31, 2018 on the said loans from banks, an amount of Rs 268.98 million was included as recoverable (in Note 8) in respect of interest for the period from October 16, 2018 to October 31, 2018. Based on the NCLAT order dated March 12, 2020 on clarification related to interest for the recognition, the company has not recognised finance cost amounting to Rs. 9,075.19 million on loans from banks, debentures other than in Note 45(a)(iii) above, and cash credits accounts for the current year.

The aggregate value of the liabilities not accounted for, in (i) to (v) above, is Rs 26,405.84 million as at March 31, 2021 (Rs 15,176.83 million as at March 31, 2020).

45 b. Creditors claims process

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated 17 December, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by IL&FS, the ultimate holding company of the Company, to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof on or before 5 June, 2019 (date later extended till June 20, 2019) to a Claims Management Advisor ("CMA") appointed by IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA, vide their communications dated May 28, 2021 to the management of IL&FS Group pursuant to the claims received to date, on the status of the claims received and its admission status. The report is subject to updation based on additional information / clarification that may be received from the creditors in due course.

Management of the Company is in the process of reviewing the claims made by third parties with the CMA, of Rs 15,937.02 million in respect of the Company (excluding from banks, and the amounts in note 45a(ii) and 45(a)(iv) above) as at October 15, 2018, and reconciling such claims with the corresponding amounts as per the Company's books of account. Against this, as at March 31, 2021, the Company has recorded liabilities aggregating Rs 10,475.17 million in respect of these claims. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Pending final determination in this regard, no adjustments have been made in this regard to these financial statements, and all such claims (to the extent not recorded as liabilities in the financial statements) have been disclosed as part of contingent liabilities (refer Note 34)

46. Reconciliation of borrowings

As at March 31, 2021, the Company's books of account reflect a balance of Rs 81,466.79 million payable to the consortium of banks (with whom the Company's has borrowing arrangements), without making any adjustments that may be required to give effect to the proposed restructuring of debt and other outstanding amounts to banks, as indicated in Note 54 to these financial statements. Against this, the statements / other information provided by those banks indicate outstanding balances by the Company aggregating Rs. 95,452.24 million (forming part of total claims by lenders of Rs. 88,576.78 million). Management believes that the net difference of Rs 13,985.45 million may be on account of interest costs not accounted for by the Company after October 15, 2018 (refer Note 45(v) to these financial statements) and/or incorrect / additional / penal interest charged by the banks. Accordingly, the Company has not accounted for the above difference in these financial statements.

47. Order of NCLT for re-opening and re-casting of financial statements of group companies

The National Company Law Tribunal ("NCLT"), vide order dated On 1 January 2019, has allowed petition filed by the Union of India for re-opening of the books of accounts and re-casting the financial statements of Infrastructure Leasing & Financial Services Limited ('IL&FS'), IL&FS Financial Services Limited ('IFIN') and IL&FS Transportation Network Limited ('ITNL') under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18. The process of such re-opening and re-casting of financial statements is currently in progress.

The Company had entered into transactions with IL&FS, IFIN and ITNL during the aforementioned years and the Board of Directors of the Company have reviewed these transactions and has evaluated the impact of this order on the Company. Based on such evaluation, and having regard to the fact that no such directions for re-opening of books of account or re-casting of financial statements of the Company has been issued till date, management is of the view that the re-opening of books of accounts and re-casting of financial statements of IL&FS, IFIN and ITNL does not have any impact on the financial statements of the Company as at and for the year ended March 31, 2021 and March 31, 2020. There are no transactions entered into by the Company with IL&FS, IFIN and ITNL during the current financial year.



All amounts are in ₹ million, unless otherwise stated

48. Forensic audit of IL&FS group entities

The reconstituted Board of IL&FS has initiated a forensic examination for the period from April 2013 to September 2018 for certain companies of the Group including ITPCL, and appointed an external agency to perform the forensic audit and report to the Board of IL&FS. We have received the report during the year ended March 31, 2021. Based on the report, the Company had issued show cause notices (SCN) to three employees (one current and two former), regarding potential irregularities in transactions with vendors and the role of those employees with respect to those transactions in line with IL&FS Group forensic audit protocol. The Company has received responses from those individuals, and is in the process of implementing disciplinary action including but not limited to withholding of final settlement against these employees. Pending outcome of the matter, the financial statement consequences of the above are not currently determinable.

49. Non-Compliance of laws and regulations and loan covenants

a) In earlier financial years, consequent to the resignation of certain independent directors, the Company is in non-compliance with requirements of the Companies Act, 2013 regarding constitution of an audit committee, and related requirements till November 18, 2019.

b) As a consequence of the matters described in Note 1.2 and Note 50 and various other matters discussed in these financial statements, the company may not be in compliance with certain laws and regulations, including but not limited to certain provisions of The Companies Act, 2013. Management is in the process of evaluating the various consequences arising from such non compliances including their financial and operational impact. Pending final determination and assessment thereof, no adjustments have been made to these financial statements.

c) As a result of the forensic audit referred in Note 48 above, non-compliance in the period up to October 15, 2018, of, certain covenants in respect of loans taken by the company, have been identified. Having regard to the company's ongoing discussion with lenders and the matters stated in Note 1.2 above, no further adjustments have been considered necessary to these financial statements, in that regard.

50. Classification of borrowings

Pursuant to the matter described in Note 1.2 above, the Company had not recognised the interest payable on loans from banks and financial institutions, from October 16, 2018 to March 31, 2021, and had not paid such interest and related principal, till March 31, 2021. Under the terms of the loan agreements with lenders, such non-payment constituted an event of default pursuant to which the entire loan liability would have become due and payable on a current basis, as at March 31, 2019 and thereafter. However, management was of the view that due to the moratorium, the terms of loan agreements resulting in such default would not be applicable to the Company. As a result, borrowings as at March 31, 2020 and March 31, 2021 have been classified as current and non-current based on the original terms of the loan agreement, without considering default provisions as above.

51. Accounting for amounts due / recoverable from IL&FS group companies

a. Porto Novo Maritime Limited ("PNML")

The Company entered into a License Agreement dated September 15, 2010 with Tamil Nadu Maritime Board ("TNMB") on September 15, 2010 for the development and operation of the Parangipettai Port in Tamil Nadu, India (the "Port"), for a period of 30 years from August 15, 2010. The Company has transferred the Licence for port development and operation to PNML, an IL&FS group company, without any consideration. Thereafter, the Company signed a Memorandum of Agreement with PNML dated April 12, 2013 to develop, finance, implement and operate the Port as a captive port for the Company on a "Take or Pay" basis.

As per the Memorandum of Agreement with PNML, the Company was required to provide capital support of Rs 6,300 million to PNML towards construction of the Port, out of which Company paid Rs.2,903.50 million to PNML between March 2013 and February 2014. The development of the port was deferred due to various reasons, including delay implementation of Phase II of the Company's power plant. Subsequently, in July 2015, PNML refunded Rs.1,900 million out of the 2,903.50 million received from the Company.

The Company and PNML entered into an amendment dated March 7, 2016 to the Memorandum of agreement dated April 12, 2013, in terms of which the Company was required to pay a deposit of Rs 2,200 million to PNML in lieu of capital cost already incurred by PNML, and PNML was required to refund the balance Rs 1,003.50 million capital support to the Company. The Company had not received the capital support amount of Rs 1,003.50 million from PNML, and based on the financial condition of PNML, the Company provided for such amount of Rs 1,003.50 million as at March 31, 2019.

b. Costs incurred towards Carbon Capture Project, paid to IL&FS Environmental Infrastructure & Services Limited ("IEIS")

In earlier years, the Company had incurred Rs 413 million towards costs paid to IL&FS in relation to a carbon capture project and Rs 295 million towards costs paid to IEIS, towards services for assistance in obtaining environmental clearances for Phase II of the Company's power project. These amounts were previously carried as part of capital work in progress ("CWIP"). During the financial year ended March 31, 2019, based on the status of these projects and assessment of their recoverability and assessment of costs included under capital work in progress, management determined that these amounts are no longer recoverable through use, or have not met necessary parameters to support their being carried as CWIP. Accordingly, a total of Rs 708 million was written off from CWIP in this regard, during the year ended March 31, 2019.



All amounts are in ₹ million, unless otherwise stated

c. Interest on margin money deposits placed with IEDCL

The Company has placed margin money deposits of Rs 327.13 million with IEDCL, its holding company (also refer Note 17.3). The Company had recognised interest receivable on such margin money for the period April 1, 2018 to October 15, 2018, of Rs 9.76 million, which was adjusted against the balance of term loans payable as at 31 March 2019 (Note 17). The Company has not recognised interest on such margin money for any period thereafter, till March 31, 2021.

52. Government Grants

The Company qualifies as a Mega Power Project, in terms of the applicable regulations in this regard, and has obtained a provisional Mega Power Project status certificate from the Ministry of Power, Government of India ("GoI"). In terms of the prevalent scheme at the relevant time, the Company had availed of exemption from customs and excise duty aggregating Rs 9,953.67 million on the purchase of equipment and spares for the Company's power project, which were secured by bank guarantees and fixed deposits. The grant of final mega power status of the Company is dependent on its achieving tie up for the supply of power for 85% of its installed capacity through the long-term PPAs by way of competitive bidding and the balance through regulated market within stipulated time (i.e., by January 2022). Under Ind AS, exemption of customs and excise duty has been treated as grant relating to income and accordingly, the amount of grant has been set-up as deferred income and has been recognised in statement of profit and loss over the useful life of the asset for which grant was received, with a corresponding balance recognised under Property, Plant & Equipment (Plant and Machinery).

As indicated in Note 1.1 above, in respect of Unit I of the Company's power plant operations, the Company has entered into a PPA for 15 years with TANGEDCO. During the previous financial year, the Company has obtained a mega power certificate (provisional) to the extent of 56.17% based on the amended Mega Power Policy 2009 and, accordingly, bank guarantees provided by the Company to the GOI for an amount of Rs 5,576.14 million (proportional to the total value of bank guarantees given) have been released. There are no further obligations or conditions attached to this portion of the grant.

As indicated in Note 1.1 above, in respect of Unit II, the Company has entered into a PPA effective April 1, 2019, for a period of three years. The Company has represented to Ministry of Power that it has not been able to enter into a long-term PPA, as required by the terms of the duty waivers explained above, due to a lack of market (represented by requests for proposals) for such power supply terms. Management also believes that there are no other material obligations or conditions attached to this remaining portion of the grant, and that the Company would continue to retain its Mega Power Project status in respect of Units I and II combined and, accordingly, no adjustments have been made to the financial statements in respect of the non current deferred government grants of Rs. 4,174.19 million (included in Note 21c).

53. Impact of COVID-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government Of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured not only the availability of its power plant to generate power but has also continued to supply power during the period of lockdown, considering essential services as declared by the Government of India. Considering power supply being essential service, management believes that the impact likely due to this pandemic on the business of the Company is unlikely to be material.

54. Loan restructuring

During the current year, Management has received approval from bankers/financial institutions to restructure the payables towards principal and interest in respect of the Group's borrowings from those banks/financial institutions. This approval of restructuring is subject to the approval of The Hon'ble NCLAT. Application for such approval was made on January 08, 2021 and the same was heard on August 05, 2021. The second hearing on September 29, 2021 was adjourned and was scheduled for hearing on December 01, 2021. The case was heard on the said date and Order awaited. Pending the Order/approval of the Hon'ble NCLAT and execution of contractual arrangements in this regard, no adjustments have been made in the financial statements.

55. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



All amounts are in ₹ million, unless otherwise stated

i) Useful life of Property, Plant & Equipment

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40.5.

iii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 37.

iv) Impairment

Impairment of Property, Plant & Equipment: Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

Impairment of Non-financial assets: Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is higher of its fair value less costs of disposal & its value in use. The fair value less costs of disposal calculation is based on available data from binding sale transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing the asset. The value in use is based on a DCF model.

v) Taxes

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

vi) Revenue

Revenue from operations on account of force majeure / change in law events in terms of Power Purchase Agreements with State Power Distribution Utilities, in certain cases is accounted for by the Company based on best estimates including orders / reports of Regulatory Authorities, which may be subject to adjustments on receipt of orders of the respective Regulatory Authorities or final closure of the matter with the customers.

vii) Going concern assumption

These financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. (refer note 1.4.A(c) for management's assessment regarding going concern, including related judgments involved).

56. Attachment of shares of the Company held by A.S. Coal

The Company received a copy of an order of the Directorate of Enforcement, Government of India, dated January 05, 2021, attaching the 14,851,486 equity shares of the Company held by its shareholder, A.S Coal Resources Pte Ltd, Singapore ("AS Coal"), towards alleged non-compliances by AS Coal and/or its shareholder(s), of the provisions of the Prevention of Money Laundering Act, 2002. The Company, which is named as a defendant in these proceedings, has submitted a reply dated May 04, 2021, that other than being the target company of the alleged non-compliances as stated above, the Company is not involved in any way in this matter. Accordingly, Management believes that this matter does not have any consequence on the Company, and no adjustments are required to the financial statements in this regard.



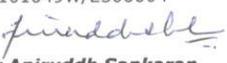
All amounts are in ₹ million, unless otherwise stated

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

58. Approval of financial statements

The financial statements were approved for issue by the board of directors on December 03, 2021.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration
No.101049W/E300004


Per Aniruddh Sankaran
Partner
Membership No.211107

Place: Chennai
Date: 03.12.2021



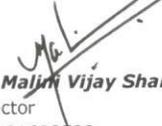

Sanjeev Seth
Managing Director
DIN No: 07945707

Place: Chennai
Date: 03.12.2021

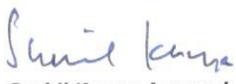

Feby Koshy Bin Koshy
Director
DIN No:08483345

Place: Mumbai
Date: 03.12.2021

For and on behalf of the Board of Directors


Dr. Malini Vijay Shankar
Director
DIN 01602529

Place: Chennai
Date: 03.12.2021


Sushil Kumar Agarwal
Chief Financial Officer

Place: Chennai
Date: 03.12.2021


Neerav Yashwant Kapasi
Director
DIN No:03500964

Place: Mumbai
Date: 03.12.2021


Harshlatha J Lalwani
Company Secretary

Place: Chennai
Date: 03.12.2021



INDEPENDENT AUDITOR'S REPORT

To the Members of IL&FS Tamil Nadu Power Company Limited

Report on the Audit of the Consolidated Ind AS Financial Statements**Qualified Opinion**

We have audited the accompanying consolidated Ind AS financial statements of IL&FS Tamil Nadu Power Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters more fully discussed in the following notes to the financial statements:

- a) Note 41 to the financial statements. The accompanying Ind-AS consolidated financial statements include Rs 612.71 million, Rs 0.00 million, Rs 3,807.70 million and Rs (19.21) million (previous year – Rs 1,923.19 million, Rs 0.42 million, Rs 164.75 million, and Rs 18.84 million respectively), of total assets, total revenue, total losses and net cash flows, respectively, pertaining to the Company's subsidiary, whose consolidated financial statements under Ind-AS have been prepared by management but have not been audited. We are unable to comment on the consequential effects, had such consolidated financial statements been audited.
- b) Note 42 to the financial statements regarding gross trade receivables and unbilled revenues, of Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year – Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. The Group has made provisions of Rs 3,187.01 million (previous year – Rs 1,944.76 million) in respect of the aforesaid trade receivables. We are unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.
- c) Note 45(a) to the financial statements, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In our opinion, the Group may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 26,405.84 million as at March 31, 2021 (previous year – Rs 15,176.83 million). Further, pending the final assessment and determination of various claims received as stated in note 45(b), we are unable to comment on the adjustments that may be required in this regard, to the financial statements.
- d) Note 46 to the financial statements. For the reasons stated in that note, the Group has not recorded the net difference of Rs 13,985.45 million (previous year – Rs. 5,949.28 million) between book balances and bank & financial institution balances, in respect of loans from banks and financial institutions. We are unable to comment on the consequential effects of the above, on the financial statements.
- e) Note 47, relating to the regulatory order for re-opening of books of accounts and re-casting of financial statements of certain group companies, and Note 48, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, whose possible consequential effects on the financial statements cannot be determined as of even date.

Our audit opinion on the consolidated Ind AS financial statements for the year ended March 31, 2020 was qualified for the above matters.

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.4A (c) to the consolidated Ind AS financial statements which indicate that the Company has accumulated losses due to losses incurred in previous years, which along with other matters including mitigating factors considered by management, set forth in that Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Emphasis of matters

We draw attention to:

- a. Note 43 to the financial statements regarding determination of recoverable value, and provision for impairment, of property, plant & equipment in the previous year. As discussed in that Note, any future changes to the estimates, assumptions, and dependencies on external factors, including inter alia the extension of power purchase agreement with the state electricity distribution company / entering into new revenue arrangements, continued validity of the various assumptions made, considered by management, may affect the recoverable value of the related assets and, consequently, the provision for impairment recorded by the Group.
- b. Note 49 to the financial statements regarding certain non-compliances of law and regulations (including certain requirements of the Act, and non-compliance of certain loan covenants.
- c. Note 50 of the financial statements regarding classification of borrowings, and Note 52 regarding deferred income relating to government grants which have been disclosed as non-current liability, as at March 31, 2021 in view of the reasons more fully discussed in those notes.

Our opinion is not qualified in respect of the above matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company as aforesaid



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In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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 except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;



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Chartered Accountants

- (b) Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements ;
- (d) Except for the effects / possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, and Material Uncertainty Related to Going Concern sections above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors of the Holding Company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls of the Group, refer to our separate Report in "Annexure 1" to this report which is in respect of the Holding Company only, as all its subsidiaries are entities to which the requirements in this regard are not applicable;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Aniruddh Sankaran**

Partner

Membership Number: 211107

UDIN: 21211107AAAAEX9073



Place of Signature: Chennai

Date: December 3, 2021

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 1 to the Independent Auditor's Report of even date on the consolidated financial statements of IL&FS Tamil Nadu Power Company 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 IL&FS Tamil Nadu Power Company Limited (the "Holding Company") as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future



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periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, and read with the matter stated in Note 1.2 to the financial statements, the following material weaknesses have been identified as at March 31, 2021:

- The Holding Company did not have appropriate internal controls over financial reporting in relation to the matters stated in the Basis for Qualified Opinion section of our auditor's report of even date on the consolidated financial statements of the Group, and the associated financial statements captions.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as of March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

Explanatory paragraph

We also have audited, 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, the consolidated financial statements of the Holding Company, which comprise the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weaknesses referred to above were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 consolidated financial statements of the Group and this report does not affect our report dated December 3, 2021, which expressed a qualified opinion on those financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Aniruddh Sankaran**

Partner

Membership Number: 211107

UDIN: 21211107AAAAEX9073



Place of Signature: Chennai

Date: December 3, 2021

S.No	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	63,139.53	70,732.32
	(b) Capital Work in Progress	2	602.44	879.48
	(c) Goodwill	3	-	-
	(d) Other Intangible Assets	4	0.36	1,344.31
	(e) Financial Assets			
	(i) Investments	5	0.12	0.12
	(ii) Trade Receivables	6	2,220.95	2,220.95
	(iii) Other financial assets	7	1,716.66	1,430.41
	(f) Non-Current tax assets (Net)	12	30.49	16.16
	(g) Other Non Current Assets	8	494.33	488.13
	Total non-current assets		68,204.88	77,111.88
	Current Assets			
	(a) Inventories	9	2,448.57	3,168.24
	(b) Financial Assets			
	(i) Trade Receivables	6	16,528.33	15,871.22
	(ii) Cash and Cash Equivalents	10	17,109.18	3,063.36
	(iii) Bank balances other than (ii) above	11	713.41	1,220.02
	(iv) Other Financial assets	7	2,691.91	3,228.48
	(c) Other Current Assets	8	524.61	432.82
	Total current assets		40,016.01	26,984.14
	TOTAL ASSETS		1,08,220.89	1,04,096.02
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	13	2,002.08	2,002.08
	(b) Instruments entirely equity in nature	14	(843.91)	(843.91)
	(c) Other Equity	15	3,399.56	(495.76)
	Non Controlling Interests		(28.77)	(24.43)
	Total equity		4,528.96	637.98
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	55,685.28	62,370.93
	(ii) Other financial Liabilities	19	-	-
	(b) Long Term Provisions	21	12.76	11.94
	(c) Other non-current liabilities	20	8,488.45	8,750.10
	Total non-current liabilities		64,186.49	71,132.97
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	9,419.89	9,423.75
	(ii) Trade Payables	18		
	Total outstanding dues of micro enterprises and small enterprises			
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,574.41	4,151.56
	(iii) Other financial Liabilities	19	25,241.12	18,493.48
	(b) Short Term Provisions	21	2.96	3.38
	(c) Other Current Liabilities	20	267.06	252.90
	Total current liabilities		39,505.44	32,325.07
	Total Liabilities		1,03,691.93	1,03,458.04
	TOTAL EQUITY AND LIABILITIES		1,08,220.89	1,04,096.02

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.101049W/E300004

Aniruddh Sankaran
 Per **Aniruddh Sankaran**

Partner
 Membership No.211107

Place: Chennai
 Date: 03.12.2021



For and on behalf of the Board of Directors

Sanjeev Seth
Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Febby Koshy Bin Koshy
Febby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

Dr. Malini Vijay Shankar
Dr. Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
Sushil Kumar Agarwal
 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



S.No	Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I	Revenues from Operations	22	27,890.48	34,326.60
II	Other Income	23	370.19	164.26
III	Total Income (I+II)		28,260.67	34,490.86
IV	Expenses:			
	Cost of materials consumed	24	12,287.96	20,081.36
	Other Direct Expenses	25	540.67	568.87
	Employee benefits expense	26	191.48	201.89
	Finance costs	27	149.61	323.03
	Depreciation and amortisation expense	28	1,986.22	2,011.47
	Other expenses	29	9,172.12	2,370.62
	Total Expenses (IV)		24,328.06	25,557.24
V	Profit before tax (III-IV)		3,932.61	8,933.62
VI	Tax Expense:			
	(1) Current Tax	30.1	-	-
	In respect of current year		-	-
	In respect of previous year		-	-
	(2) Deferred Tax	30.2	-	-
VII	Profit for the year (V-VI)		3,932.61	8,933.62
VIII	Profit/(Loss) Attributable to Non controlling interest		(1.98)	(7.46)
IX	Profit Attributable to Owners of the Company		3,934.59	8,941.08
X	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurement (loss)/gain of defined benefit plans, net of tax		3.03	2.29
	B. i) Items that may be reclassified to profit and loss			
	a) Exchange differences in translating the financial statements of foreign operations		(42.30)	(478.54)
	Total other comprehensive income		(39.27)	(476.25)
XI	Total Comprehensive Income for the year (IX+X) (Attributable to Owners of the Company)		3,895.32	8,464.83
XII	Earnings/ (Loss) Per Equity Share (Nominal value per share ₹ 10)			
	- For continuing operations			
	(a) Basic	38	₹ 19.65	₹ 44.66
	(b) Diluted		₹ 15.02	₹ 29.27

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E300004

Prof Aniruddh Sankaran
 Partner
 Membership No.211107

Place: Chennai
 Date: 03.12.2021



Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Feby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

For and on behalf of the Board of Directors

Dr Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



IL&FS TAMILNADU POWER COMPANY LIMITED
Consolidated Statement of Changes in Equity for the year ended March 31, 2021
 All amounts are in ₹ million, unless otherwise stated



A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at March 31, 2019	17,59,69,765	1,759.70
Issued during the year	2,42,37,999	242.38
Balance as at March 31, 2020	20,02,07,764	2,002
Issued during the year	-	-
Balance as at March 31, 2021	20,02,07,764	2,002.08

B. Instruments entirely equity in nature

Particulars	Amount
Balance as at March 31, 2019	4,545.37
Issued during the year	(5,389.28)
Balance as at March 31, 2020	(843.91)
Issued during the year	-
Balance as at March 31, 2021	(843.91)

C. Other Equity

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Controlling Interests	Non controlling Interests	Total
	Securities Premium Account	Debenture Redemption reserve	Retained earnings	Foreign Currency Translation Reserve			
	Amount	Amount	Amount	Amount			
Balance as at March 31, 2019	32,479.92	16.95	(46,339.81)	(264.55)	(14,107.49)	(18.67)	(14,126.16)
Profit for the year	-	-	8,941.08	-	8,941.08	-	8,941.08
Add: Addition for the year	5,146.90	-	-	(478.54)	4,668.36	(5.76)	4,662.60
Add: Amortised during the year	-	-	-	-	-	-	-
Remeasurement of defined benefit plans, net of tax	-	-	2.29	-	2.29	-	2.29
Total comprehensive Income for the year	-	-	8,943.37	(478.54)	8,464.83	-	8,464.83
Balance as at March 31, 2020	37,626.82	16.95	(37,396.44)	(743.09)	(495.76)	(24.43)	(520.19)
Profit for the year	-	-	3,934.59	-	3,934.59	-	3,934.59
Add: Addition for the year	-	-	-	(42.30)	(42.30)	(4.34)	(46.64)
Add :Amortised during the year	-	-	-	-	-	-	-
Remeasurement of defined benefit plans, net of tax	-	-	3.03	-	3.03	-	3.03
Total comprehensive Income for the year	-	-	3,937.62	(42.30)	3,895.32	-	3,895.32
Balance at March 31, 2021	37,626.82	16.95	(33,458.82)	(785.39)	3,399.56	(28.77)	3,370.79

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration
 No.101049W/E300004

Aniruddh Sankaran
Per Aniruddh Sankaran
 Partner
 Membership No.211107

Place: Chennai
 Date: 03.12.2021



For and on behalf of the Board of Directors

Sanjeev Seth
Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Feby Koshy Bin Koshy
Feby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

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Dr. Malini Vijay Shankar
 Director
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Place: Chennai
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 Chief Financial Officer

Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



IL&FS TAMILNADU POWER COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
 All amounts are in ₹ million, unless otherwise stated

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
A. Cash flow from operating activities				
Profit/(Loss) before tax		3,932.61		8,933.62
Adjustments for :				
Depreciation and Amortisation	1,986.22		2,011.47	
Finance costs	149.61		192.11	
Unrealised exchange gain(net)	(87.40)		1.64	
Amortisation of Government Grants	(249.24)		(249.98)	
Interest Income	(280.43)		(120.83)	
Loss/(Gain) on derecognition of financial liabilities	-		130.92	
Profit on sale of fixed asset	-		0.23	
Provision for bad and doubtful debts	1,242.96			
Loss of Stock in transit	9.30			
Loss of property due to cyclone	75.82			
Impairment of property, plant and equipment	-		-	
Impairment of Goodwill	1,328.27		-	
Impairment of Capital Work in progress	331.82		225.09	
Provision no longer required	(10.90)			
Provision for Aged Spares	118.84		-	
Impairment of Property, Plant & Equipment (Refer note)	5,611.40		-	
Accrued Income	-		-	
Provision for employee benefits	-		(5.97)	
		10,226.27		2,184.68
Operating profit before working capital changes		14,158.88		11,118.30
Changes in working capital				
Adjustments:				
(Increase) / Decrease in Trade receivables	(1,889.18)		(5,215.99)	
Decrease/(Increase) in Inventories	516.51		(1,722.89)	
Decrease in Other Assets	(94.96)		37.46	
Decrease in Other Financial Assets	535.82		(1,346.00)	
(Decrease) in Trade payable	422.04		492.82	
(Decrease) in Other Liabilities	2.15		(148.88)	
Increase/ (Decrease) In Other Financial Liabilities	52.61		173.87	
		(455.01)		(7,729.61)
Cash generated from operations		13,703.87		3,388.69
Tax (Paid)/refund received(Net)		(14.33)		(10.50)
Net cash flow from operating activities		13,689.54		3,378.19
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(5.04)		(51.88)	
Fixed deposits matured	(194.99)		(193.11)	
Bank balances considered as other than cash and cash equivalent	506.61		(559.99)	
Interest received	189.92		471.39	
Net cash flow used in investing activities		496.50		(333.59)
C. Cash flow from financing activities				
Net increase in working capital borrowing	-		(102.21)	
Finance costs	(140.22)		(83.98)	
Net cash flow from in financing activities		(140.22)		(186.19)
Net increase (decrease) in cash and cash equivalents (A+B+C)		14,045.82		2,858.41
Reconciliation				
Cash and cash equivalents at the beginning of the year		3,063.36		204.95
Cash and cash equivalents at the end of the year		17,109.18		3,063.36
Net increase/(decrease) in cash and cash equivalents		14,045.82		2,858.41

Notes:

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
 The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No.101049W/E300004

Aniruddh Sankaran
Per Aniruddh Sankaran,
 Partner
 Membership No.211107

Place: Chennai
 Date: 03.12.2021



Sanjeev Seth
Sanjeev Seth
 Managing Director
 DIN No: 07945707

Place: Chennai
 Date: 03.12.2021

Febby Koshy Bin Koshy
Febby Koshy Bin Koshy
 Director
 DIN No:08483345

Place: Mumbai
 Date: 03.12.2021

For and on behalf of the Board of Directors

Dr. Malini Vijay Shankar
Dr. Malini Vijay Shankar
 Director
 DIN 01602529

Place: Chennai
 Date: 03.12.2021

Sushil Kumar Agarwal
Sushil Kumar Agarwal
 Chief Financial Officer

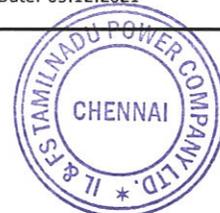
Place: Chennai
 Date: 03.12.2021

Neerav Yashwant Kapasi
Neerav Yashwant Kapasi
 Director
 DIN No:03500964

Place: Mumbai
 Date: 03.12.2021

Harshlatha J Lalwani
Harshlatha J Lalwani
 Company Secretary

Place: Chennai
 Date: 03.12.2021



IL&FS Tamil Nadu Power Company Limited
Notes to the Consolidated financial statements for the year ended March 31, 2021
(All amounts are in ₹ million, unless otherwise stated)

1.1 Corporate information

IL&FS Tamil Nadu Power Company Limited ("ITPCL" or the "Group", having Company Identification Number U72200TN2006PLC060330) was incorporated on June 26, 2006 as a public limited company. The Company is the subsidiary of IL&FS Energy Development Company Ltd.

The Group was established for setting up a thermal based power project of 3600 Mega Watt (MW) at a facility in Parangipettai in Tamil Nadu. The project was envisaged in two phases – Phase I of 1,200 MW (in two units of 600 MW each) and the remainder in Phase II. Unit 1 of Phase I, of 600 MW, achieved COD (Commercial Operations Date) during 2015-16, and Unit 2 achieved COD (Commercial Operations Date) during 2016-17. The Group has entered into a Power Purchase Agreement ("PPA") in respect of Unit 1 with the Tamil Nadu Generation and Distribution Corporation Limited ("TANGEDCO"), for a period of 15 years effective June 1, 2014, and a PPA in respect of Unit 2 with PTC India Limited for a period of 3 years effective April 1, 2019.

The financial statements were approved for issue by the board of directors on December 03, 2021.

1.2 Significant developments at IL&FS and various group companies in FY 2018-19 and subsequently

1.2.1 Significant developments at IL&FS

Infrastructure Leasing & Financial Services Limited ("IL&FS" or the "Holding Company") reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of IL&FS was downgraded to 'D' (lowest grade) in September 2018.

Pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Holding Company be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO commenced investigation of affairs of the Company. SFIO submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the RoC and on the following grounds:

- I. The precarious and critical financial condition of IL&FS and its group companies and their inability to service their debt obligations had rattled the money market.
- II. On a careful consideration of the Union of India, it was of the opinion that affairs of IL&FS and its group companies were conducted in a manner contrary to the public interest due to its mis-governance; and
- III. The intervention of the Union of India is necessary to prevent the downfall of IL&FS and its group companies and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from Financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board and appointed the New Board proposed by the Union of India.

The present constitution of the New Board is as follows:

1. Mr Uday Kotak, Chairman
2. Mr. C S Rajan, Managing Director
3. Mr. Nand Kishore, Executive Director
4. Mr. GC Chaturvedi, Director
5. Dr. Malini Shankar, Director
6. Mr. N. Srinivasan, Director



IL&FS Tamil Nadu Power Company Limited
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(All amounts are in ₹ million, unless otherwise stated)

Further, applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- I. The institution or continuation of suits or any other proceedings by any party or person or bank or company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.
- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

The NCLAT has vide its order dated March 12, 2020 approved the resolution framework. This has been dealt with in Note 1.2.2.

1.2.2 Resolution process proposed by new Board of Directors of the Holding Company

The New Board of Directors of the Holding Company (hereinafter, "New Board"), as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

As stated in Note 1.2.1, in terms of the NCLAT order, there is a moratorium on creditors from proceeding against IL&FS and its group entities, except under article 226 of the Constitution of India.

The resolution plan seeks a fair and transparent resolution for the Holding Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. IL&FS being a holding company and registered as a Core Investment Company (CIC) with RBI, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The IL&FS Group resolution involves resolution of 302 entities, operating across more than 10 distinct business verticals. When the new Board of Directors were appointed, the aggregate principal amount of the external fund based debt exposure of the IL&FS Group was in excess of Rs 94,000 crore (in addition to non- fund based exposure of Rs 5,100 crores). The New Board have been tasked by the Hon'ble NCLT with the resolution of this multi-layered group with various inter linkages.

The New Board is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group,



IL&FS Tamil Nadu Power Company Limited
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is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be considered.

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

In this regard, ITPCL is classified as an "Amber" entity, indicating that it is not to meet all obligations (financial and operational), but can meet only operational payment obligations and payment obligations to senior secured financial creditors. Accordingly, the ITPCL is permitted to make only those payments necessary to maintain and preserve the going concern status.

The New Board has been following a three-pronged strategy - Resolve, Restructure and Recover - while adopting the approach of equitable distribution and balancing interests of stakeholders across the IL&FS Group under IBC and Corporate Finance principles to resolve the debt.

Taking into account the vast challenges facing the IL&FS Group, including the complexity posed by its structure, width of operating business, scale and levels of group -wide consolidated leverage, the New Board (in consultation with its advisors) has formulated a unique resolution framework as outlined in various progress reports and responses ("Resolution framework") which were submitted to the MCA for its consideration which in turn filed the same with Hon'ble NCLT and Hon'ble NCLAT as appropriate. The Resolution Framework covers a comprehensive process for implementing an "Asset level Resolution" for the Group. All such steps have been undertaken under section 241 and 242 of the Companies Act, 2013 and in consultation with the MCA.

The Resolution Framework contemplates a process which is fair and transparent and seeks to balance the interests of varied stakeholders across levels and is being undertaken under the supervision of a retired Supreme Court Judge as mandated by Hon'ble NCLAT. The Hon'ble NCLAT on March 12, 2020 approved the said Resolution Framework inter alia approving process and procedures as proposed.

Since taking charge on October 1, 2018, the New Board has initiated various measures to achieve the resolution of the IL&FS Group, including:

- (i) asset monetisation (as part of the 'Asset Level Resolution' in accordance with the Resolution Framework);
- (ii) liquidity management (including the solvency analysis and entity categorisation as well as cash build up) and cost optimisation measures; and debt restructuring efforts.
- (iii) The Third Progress Report on the 'Proposed Resolution Framework for IL&FS Group' dated December 17, 2018 (Initial Resolution Framework), the Addendum dated January 15, 2019 thereto (First Addendum), and the Second Addendum dated December 5, 2019 (Second Addendum) (collectively, "Resolution Framework") have been filed with MCA which have in turn been filed with the National Company Law Appellate Tribunal ("NCLAT"). The Hon'ble NCLAT vide the March 12, 2020 Judgment approved inter alia the Resolution Framework and fixed the Cut-Off Date as October 15, 2018 for crystallization of liabilities of creditors. The Resolution Framework sets out the process to be followed for the resolution of IL&FS group entities including IL&FS, and also the manner in which interest of all stakeholder shall be managed in the process.
- (iv) Further, the resolution of the entities in the IL&FS Group is being conducted under the supervision of Justice (Retd.) D.K. Jain, appointed by the Hon'ble NCLAT to oversee the resolution process for the IL&FS Group in terms of the orders passed by the Hon'ble NCLAT on February 4, 2019 and February 11, 2019.
- (v) It is to be noted that IL&FS Group entities (which are incorporated in India) have been classified into "Green", "Amber" and "Red", based on their ability to repay their debt obligations over a 12 month look forward testing period. This categorization (along with the



IL&FS Tamil Nadu Power Company Limited
Notes to the Consolidated financial statements for the year ended March 31, 2021

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principles pertaining to such classification) was filed by the Ministry of Corporate Affairs, Union of India with the Hon'ble NCLAT vide affidavits dated February 11, 2019 and March 12, 2019 and the categorization was last updated on August 08, 2019;

- (vi) Hon'ble NCLAT vide order on February 11, 2019 had permitted "Green" entities (including any entities that may subsequently be classified as "Green") to discharge their debt obligations as per scheduled repayment. "Amber" and "Red" entities are permitted to only make payments necessary only to maintain and preserve the going concern status.
- (vii) In this regard, the creditors' claims management is undertaken by the Claim Management Advisor ('CMA'). The Creditor claims in respect of IL&FS have been invited, verified and assessed for admissibility by the CMA, with a cut-off date of October 15, 2018 in line with NCLAT directions. This claims management process duly records the nature of security charge specific to each creditor.
- (viii) As of date, the new board has initiated / completed asset monetization plan in respect of several investments / assets and other properties, which are in various stages of sale and resolution.

1.3 Application of new and revised Ind AS

As at the date of preparation of these Financial statements, all the applicable Ind AS issued and ratified by the MCA have been applied.

1.4 Summary of significant accounting policies

A) Basis of preparation and presentation

a) Compliance with Ind-AS

The consolidated financial statements of the Group for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended, read with the relevant notes below.

The financial statements are presented in Indian Rupees (Rs.) (its functional currency) and all values are rounded off to the nearest millions of Indian Rupees, except where otherwise indicated. Figures for the previous years have been regrouped /rearranged wherever considered necessary to conform to the current year classification.

b) Historical Cost convention

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

c) Going concern assumption

The Group has accumulated losses of Rs 33,458.82 million as at March 31, 2021. Pursuant to the matter stated in Note 1.2, the IL&FS Group is evaluating sale of certain entities in the group and/or



IL&FS Tamil Nadu Power Company Limited
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assets of such entities, including in relation to ITPCL. Pending the determination of this approach as regards ITPCL and outcome of the processes, it is not practically possible to determine the consequent effects of such process on the financial statements of the Group. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Management believes that the accumulated losses are primarily due to the underutilisation of Unit II of the power plant in the early period of its operations, in absence of a structured revenue generation mechanism until October 28, 2016. In this regard, the Company has entered into a Power Purchase Agreement in respect of Unit II for a period of three years, effective April 1, 2019, and has commenced power supply under the said power purchase agreement after year-end. Further, the cash flows projections prepared by management covering the period up to financial year 2039-40 (ie, co-terminus with the tenure of the Company's borrowings as of date), in respect of both Unit I and Unit II in the aggregate, shows net positive cash flows, based on which management is confident that the Company will be able to carry on its regular operations, generate sufficient cash flows from operations and pay its liabilities as they fall due, during the next 12 months and the foreseeable future.. Accordingly, these financial statements have been prepared on the basis that the Company is a going concern and do not include any adjustments to the carrying value or classification of assets and liabilities as at March 31, 2021.

B) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group, its subsidiaries and entities controlled by the Group. Control is achieved when the Group;

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

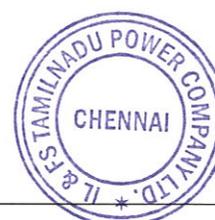
The Group reassess whether or not it controls and investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than the majority of the voting rights of an investee, it has power over the investee. When the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Group has, does not have, the current liabilities to direct the relevant activities at the time when the decisions have to be made including voting patterns at previous shareholder's meetings

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Details of Group's subsidiaries at the end of the reporting period considered in the preparation of the Consolidated financial statements are as follows:



IL&FS Tamil Nadu Power Company Limited
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(All amounts are in ₹ million, unless otherwise stated)

Name	Country of Incorporation	% of voting power held as at March 31, 2021	% of voting power held as at March 31, 2020
ILFS Maritime Offshore Pte Ltd	Singapore	100%	100%
IL&FS Offshore Natural Resources Pte Ltd	Singapore	100%	100%
Se7en Factor Corporation	Seychelles	100%	100%
PT Bangun Asia Persada	Indonesia	100%	100%
PT Mantimin Coal Mining	Indonesia	95%	95%

C) Changes in Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in the relevant interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and fair value of the consideration paid/received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of the subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interests and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiaries and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of investment in an associate or a joint venture.

D) Current versus non-current classification

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

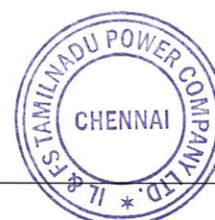
- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Also refer Note 51.



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(All amounts are in ₹ million, unless otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

E) Property, Plant and Equipment (PP&E)

i. Land and building held for use in the production or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated and is carried at cost less accumulated depreciation and impairment losses, if any.

ii. Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset. Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

iii. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

iv. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

v. Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

vi. The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 under the previous GAAP as its deemed cost on the date of transition to Ind AS.

vii. Depreciation is provided for property, plant and equipment so as to expense the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

The estimated useful life adopted by the Group are mentioned below

Asset	Useful Life (in years)	Schedule II – Useful life (in years)
Data Processing Equipments - Server & Networking	4	6
Leasehold improvements incl. installations	Over the primary period of lease	Over the primary period of lease
Office equipment	5	5
Electrical Installation	10	10
Furniture & Fixtures	10	10
Plant & Machinery	40	40
Transmission Line	40	40
Buildings & Civil Structures	30	30
Hydraulic Works, Pipelines & Sluices	15	15
Bridges	30	30



IL&FS Tamil Nadu Power Company Limited
Notes to the Consolidated financial statements for the year ended March 31, 2021
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Railway Siding & Track Hopper	15	15
Roads (non-carpeted) and drains	3	3
Vehicles – Cars	4	8
Vehicles – Cars used by employees	5	8
Vehicles – Motor cycles	8	10
Temporary structures at project site	From the date of completion to the estimated date of commencement of commercial operations.	

The Group, based on technical assessment made by management estimate, depreciates certain items over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

F) Intangible Assets

Ind AS 38, "Intangible Assets" requires that intangible assets be amortised over their expected useful lives unless their lives are considered to be indefinite. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful life have not been amortised whereas it has been tested for impairment on annual rests.

The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The carrying amount of intangible asset is tested for impairment by comparing the carrying value with the asset's recoverable amount, which is higher of its value in use and its fair value less costs to sell. Should the carrying amount exceed the corresponding recoverable amount, an impairment charge equal to the difference between the carrying amount and the recoverable amount is recognised and reported in expense under "Depreciation, amortisation and impairment charges."

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April,01,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible Asset	Useful life
Computer software (other than SAP software below)	During the year of purchase or over the actual useful life
SAP Software	3 years



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(All amounts are in ₹ million, unless otherwise stated)

G) Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PP&E, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use. (The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Also refer Note 43.

H) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



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Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income ('FVTOCI')
- Debt instruments and derivatives at fair value through profit or loss ('FVTPL')
- Equity instruments at fair value through profit or loss ('FVTPL') or at fair value through other comprehensive income ('FVTOCI')

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



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If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Group has classified its investments in mutual funds as Investments at FVTPL.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Impairment of financial assets

The Group applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

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

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

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

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the previous year is recognized as expenses in the statement of profit and loss ('P&L'). This amount is reflected under the head 'other expenses' in the P&L. Also refer Note 41 and 42.



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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

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

Also refer note 45.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure foreign currency risks.

Derivatives / forward contracts are initially recognised at fair value at the date the derivative / forward contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity investment in Subsidiaries

Investment in subsidiaries are carried at cost in the separate financial statements as permitted under Ind-AS 27. Investment in subsidiaries are accounted under cost basis.

I) Derivative financial instruments & Hedge Accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to commodity price and foreign exchange rate risks, including foreign exchange forward contracts and commodity options.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.



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The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are capitalised as fair value of underlying is been capitalised. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss, and is included in the 'Other income or other expense' line item. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

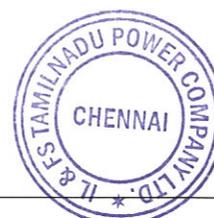
J) Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For transition to Ind AS, Group has availed exemption under Ind AS 101 for the long-term foreign currency monetary items outstanding as on the date of transition to be accounted under the provision of previous GAAP. Hence the exchange fluctuations pertaining to the long-term foreign currency monetary item outstanding as on the transition date is been capitalised if it is pertaining to the acquisition of asset and in other cases accumulated in the foreign currency monetary item translation reserve and annualised over the period of outstanding.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see above for hedging accounting policies);
- Exchange differences on long term foreign currency monetary item outstanding as on the transition date.



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K) Inventories

Inventories other than by products are stated at the lower of cost and net realizable value. Inventories of by-products are valued at net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories pertaining to fuel and stores are valued at weighted average basis.

L) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

M) 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market.

The principal or the most advantageous market must be accessible by the Group. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's - accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Also refer Note 40.



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N) Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Where Government grants relates to assets, the cost of assets are presented at gross value and grant thereon is recognised as income in the statement of profit and loss over the useful life of the related assets in proportion in which depreciation is charged.

Grants related to income are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for. Also refer Note 52.

O) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from Power Supply

Revenue from Sale of Power is recognised on accrual basis based on the actual energy exported by the Group during the relevant accounting period, at the tariff / rate agreed upon with the relevant customer in the contract / agreement and it is probable that the Group will collect the consideration to which it is entitled. The transmission charges, wheeling and other charges recovered from the customers for the energy supplied is also recognised as revenue and the matching amounts paid / payable to the transmission utility is recognised as expenses.

The Group's contracts with customers for the sale of electricity generally include only one performance obligation. The Group has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is supplied to the customer.

The surcharge on late payment / overdue sundry debtors and differential CVD, service tax paid on ocean freight under reverse charge mechanism and differential coal cess claims is recognized on accrual basis, based on contractual terms and/or commercial considerations on fair value basis considering the management estimate of time taken for collection.

ii) Interest income is recognised on Effective Interest Rate (EIR) basis.

P) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred borrowing cost has been computed based on the effective interest method.



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Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Q) Retirement and other employee benefits

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

i. Post-employment benefits

The Group operates the following post-employment schemes:

a. Gratuity

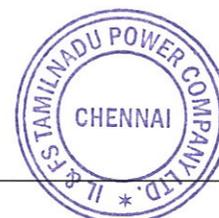
Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.



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b. Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service

R) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue

S) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss



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- ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

T) Earnings per Share

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

U) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

V) Cash flows statement

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

1.5 Changes in accounting policies and disclosures

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's consolidated financial statements.



Note 2. Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying amounts of:		
Land (owned)	2,082.64	2,082.64
Roads	24.88	58.30
Hydraulics works, pipelines and sluices	1,368.37	1,491.70
Bridge Work	41.59	43.15
Railway Siding & Track Hopper	962.99	1,053.95
Transmission Line	1,497.34	1,537.11
Factory building	4,223.81	4,378.29
Furniture and fixtures	15.27	16.82
Vehicles	4.23	4.85
Office equipments	6.63	9.77
Plant and machinery	52,908.82	60,052.65
Computers	2.96	3.09
	63,139.53	70,732.32

Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmissi on Line	Factory building	Furnitur e and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Balance at March 31, 2019	3,605.19	3.53	303.49	2,937.03	50.24	1,981.18	2,512.90	7,076.74	58.77	9.76	28.28	96,533.71	18.10	1,15,118.92
Additions	-	-	-	-	-	-	-	-	2.17	(4.58)	0.35	6.72	0.42	9.66
Deletion	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.58)
Balance at March 31, 2020	3,605.19	3.53	303.49	2,937.03	50.24	1,981.18	2,512.90	7,076.74	60.94	5.18	28.63	96,540.43	18.52	1,15,124.00
Additions	-	-	-	-	-	-	-	-	0.47	-	0.71	3.02	0.84	5.04
Deletion	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	3,605.19	3.53	303.49	2,937.03	50.24	1,981.18	2,512.90	7,076.74	61.41	5.18	29.34	96,543.45	19.36	1,15,129.04
Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmissi on Line	Factory building	Furnitur e and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Accumulated depreciation and impairment														
Balance at March 31, 2019	1,522.55	3.53	187.55	1,321.59	5.53	836.01	935.91	2,542.10	42.16	3.36	14.74	34,954.26	13.64	42,382.93
Depreciation expense	-	-	57.64	123.74	1.56	91.22	39.88	154.72	1.96	1.32	4.12	1,533.52	1.79	2,011.47
Impairment (refer note 43)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	1.63	-	-	-	-	-	1.63
Deletion	-	-	-	-	-	-	-	-	-	(4.35)	-	-	-	(4.35)
Balance at March 31, 2020	1,522.55	3.53	245.19	1,445.33	7.09	927.23	975.79	2,698.45	44.12	0.33	18.86	36,487.78	15.43	44,391.68
Accumulated depreciation and impairment														
Depreciation expense	-	-	33.42	123.33	1.56	90.96	39.77	154.27	2.01	0.62	3.85	1,535.45	0.97	1,986.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	5,611.40	-	5,611.40
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	0.21	-	-	-	-	-	0.21
Deletion	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	1,522.55	3.53	278.61	1,568.66	8.65	1,018.19	1,015.56	2,852.93	46.13	0.95	22.71	43,634.63	16.40	51,989.52
Carrying amount as on March 31, 2020	2,082.64	-	58.30	1,491.70	43.15	1,053.95	1,537.11	4,378.29	16.82	4.85	9.77	60,052.65	3.09	70,732.32
Carrying amount as on March 31, 2021	2,082.64	-	24.88	1,368.37	41.59	962.99	1,497.34	4,223.81	15.27	4.23	6.63	52,908.82	2.96	63,139.53

Movement of Impairment:

Opening balance as at March 31, 2020	Impairment for the year		Closing balance as at March 31, 2021
	Impairment for the year	Reversal of Impairment	
33,916.76	5,611.40	-	39,528.16

Note 2 Capital Work-in-progress

Particulars	Opening balance as at March 31, 2020	Addition during the year	Currency translation	Impairment for the year	Closing balance as at March 31, 2021
Capital Work-in-progress (Also Refer Note 44)	879.48	1.08	53.70	(331.82)	602.44



IL&FS TAMILNADU POWER COMPANY LIMITED
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for the year ended March 31, 2021



All amounts are in ₹ million, unless otherwise stated

Note 3: Goodwill

Particulars	As at March 31, 2021	As at March 31, 2020
Goodwill	250.28	250.28
Less: Provision for Impairment	(250.28)	(250.28)
Total	-	-

Note 4: Other Intangible Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Computer Software	0.36	0.36
Coal Mine Development Expenses	-	1,343.95
Balance at end of year	0.36	1,344.31

i) Computer Software

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	124.02	124.02
Additions	-	-
Disposals	-	-
Balance at end of year	124.02	124.02

Accumulated depreciation and impairment

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	123.66	123.66
Amortisation expense	-	-
Balance at end of year	123.66	123.66
Carrying amount at end of year	0.36	0.36

ii) Coal Mine Development Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at beginning of the year	3,903.75	3,903.75
Additions	-	-
Disposals	-	-
Balance at end of year	3,903.75	3,903.75

Accumulated depreciation and impairment

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at beginning of year	2,559.80	2,559.80
Charge for the year - Impairment (refer note 41)	1,203.31	-
Restatement effect of goodwill adjusted in FCTR	140.64	-
Balance at end of year	3,903.75	2,559.80
Carrying amount at end of the year	-	1,343.95



IL&FS TAMILNADU POWER COMPANY LIMITED
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All amounts are in ₹ million, unless otherwise stated

Note 5: Financial Assets: Investments

Particulars	As at March 31, 2021	As at March 31, 2020
I) Investments in Joint Venture		
Unquoted Investments		
17,600(2020 - 17,600)equity shares of ₹ 10/- fully paid up in Cuddalore Solar Power Private Limited		
Investment Value	0.18	0.18
(less) Share of net asset value	(0.18)	(0.18)
Total Investments in Joint Venture	-	-
II) Other Investments		
Investment in Government securities		
National Savings Certificate	0.12	0.12
Total Other Investments	0.12	0.12
Total Non-Current Investments	0.12	0.12

Note 6: Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables(Refer note 6.1 below and note 42)		
Secured, considered good	-	-
Unsecured, considered good	18,749.28	18,092.17
Having significant increase in credit risk	-	-
Credit impaired (Refer note 6.2 below)	3,546.08	2,314.02
Impairment allowance - credit impaired (Refer note 6.2 below)	(3,546.08)	(2,314.02)
	18,749.28	18,092.17
Current	16,528.33	15,871.22
Non-current	2,220.95	2,220.95

6.1.The average credit period on sale of power ranges from 30 to 50 days. As per the Article 8.3.5 of Long-Term PPA with Tamil Nadu Generation and Distribution Corporation Limited ('TANGEDCO'), no interest is charged on trade receivables for the first 30 days. Thereafter late payment surcharge shall be payable at the rate equal to SBIPLR per annum.

SBIPLR shall mean the prime lending rate per annum as fixed from time to time by the State Bank of India. In the absence of such rate, SBIPLR shall mean any other arrangement that substitutes such prime lending rate as mutually agreed to by the Parties. SBIPLR for the year was in the range of 12.05% to 12.90% p.a.

As per article 24.4 of Medium term PPA with PTC India Limited ('PTC'), in the event of delay beyond such period, late payment surcharge shall be payable at the rate equal to 5% above the bank rate. The interest rate for the current year was charged at 9.25% p.a. (March 31, 2020 - 9.65% p.a)

The Group has a practical expedient by computing expected credit loss allowance on trade receivables based on customer specific provision. This provisioning takes into account historical credit loss experienced and adjusted from forward looking information. Also refer note 42.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For charge created on receivables, refer note 17.2.

6.2. Reconciliation of Provision/ Impairment for receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at the beginning of the year	2,314.02	1,303.83
Created during the year	1,242.96	1,010.19
Reversed during the year	(10.90)	-
Closing balance as at the end of the year	3,546.08	2,314.02

6.3.Credit concentration

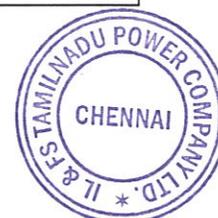
As at March 31, 2021, out of total trade receivables (net of provisions), 78.40% (As at 31st March, 2020 - 84.89%) pertains to dues from State Distribution Company under Long Term Power Purchase Agreement ("PPA") and 21.60% (As at 31st March 2020 - 15.11%) from PTC India Limited.

6.4.Expected Credit Loss (ECL)

Majority of the Company's receivables relates to power supply to State Electricity Distribution Company which is a Government undertaking. Refer note 42 for the basis of recognising provision against outstanding receivables.

6.5.Customer balances which represents more than 5% of total balance of trade receivable.

Particulars	As at March 31, 2021	As at March 31, 2020
TANGEDCO	78.40%	84.89%
PTC INDIA LIMITED	21.60%	15.11%



IL&FS TAMILNADU POWER COMPANY LIMITED
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Note 7 Other Financial Assets

Particulars	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
At Amortised Cost				
(a) Security Deposits	18.92	-	12.89	32.35
(b) Interest receivable	73.30	0.96	57.67	39.50
(c) Bank deposits due to mature after 12 months of the reporting date*	1,498.92	1,310.28	-	-
(d) Fixed Deposits under lien: with Statutory authorities	125.52	119.17	-	-
(e) Rent receivable	-	-	5.42	5.14
(f) Unbilled Revenue (refer note 42)	-	-	2,589.30	3,150.38
(g) Balance with government authorities	-	-	26.63	1.11
	1,716.66	1,430.41	2,691.91	3,228.48

*The Company has placed fixed deposit of Rs. 1,498.92 million (PY Rs. 1,070.80 million) as margin towards bank guarantee and Debt Service Reserve Account (DSRA).

Note 8 Other Assets

Particulars	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(a) Prepaid expenses	6.20	-	51.65	67.74
(b) Advances to suppliers	-	-	139.19	45.12
(c) Gratuity Plan Assets	-	-	0.95	2.58
(d) Advance interest	-	-	326.64	317.38
(e) Advances to project vendors	488.13	488.13	-	-
(f) Other receivables	-	-	6.18	-
	494.33	488.13	524.61	432.82



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All amounts are in ₹ million, unless otherwise stated

Note 9 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Fuel		
Coal including goods in transit of Rs. 1,141.30 million (goods in transit as on March 31, 2020: Rs. 316.99 million)	1,450.34	2,184.17
Light diesel oil including in transit stock Rs.2.65 million (goods in transit as on March 31, 2020: Rs. NIL)	21.31	25.40
Lime Stone (goods in transit balances: Nil)	15.30	13.74
(b) Stores and spares including in transit of Rs. 61.69 million (PY in transit stock NIL)	961.62	944.93
	2,448.57	3,168.24

For charge on asset refer note no.17.2.

Note 10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques, drafts on hand and does not include balances with banks in earmarked accounts (Refer note 11). Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
(i) In Current accounts	170.12	67.95
(ii) Deposits with original maturity of less than 3 months	16,939.06	2,995.41
(b) Cash on hand	-	-
	17,109.18	3,063.36

Note:

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates ranging from 2.9% to 6.4% p.a.

10.1. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at April 01, 2020	Net cash flows	Exchange (gain)/Loss	Others	As at March 31, 2021
Non-current borrowings	68,699.97	-	-	9.39	68,709.36
Current borrowings	9,423.75	-	(3.86)	-	9,419.89
Interest accrued	3,870.45	-	(2.14)	-	3,868.31
Total	81,994.17	-	(6.00)	9.39	81,997.56

Particulars	As at April 01, 2019	Net cash flows	Exchange (gain)/Loss	Others	As at March 31, 2020
Non-current borrowings	68,686.90	-	-	13.07	68,699.97
Current borrowings	9,513.22	(102.21)	12.74	-	9,423.75
Interest accrued	3,853.42	(83.96)	6.19	94.82	3,870.45
Total	82,053.54	(186.17)	18.93	107.89	81,994.17



All amounts are in ₹ million, unless otherwise stated

Note 11 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in earmarked accounts		
- In escrow account with security agent of long term lenders*	713.41	1,220.02
	713.41	1,220.02

* The Group has an escrow account with M/s Punjab National Bank (Large Corporate Branch) escrow agent, on behalf of all the term loan lenders of the Consortium. As part of the agreement, the balances with the escrow account agent are part of the security structure in favor of lenders and hence its usage is restricted to payments as approved by the lenders.

Note 12 Tax assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Tax assets		
- Advance tax (including tax deducted at source, and net of provision for taxes)	30.49	16.16
	30.49	16.16



All amounts are in ₹ million, unless otherwise stated

Note 13 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED :		
Equity Shares:		
500,100,000 Equity Shares of ₹ 10 each (March 31, 2020 - 500,100,000 equity shares of 10 each)	50,010.00	50,010.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
200,207,764 Equity Shares of ₹ 10 each (March 31, 2020 - 200,207,764)	2,002.08	2,002.08
	2,002.08	2,002.08

13.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

Reconciliation	2020-21		2019-20	
	No of Shares	In ₹	No of Shares	In ₹
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the Year	20,02,07,764	2,00,20,77,640	17,59,69,765	2,00,20,77,640
Allotment of shares	-	-	2,42,37,999	24,23,79,990
At the end of the Year	20,02,07,764	2,00,20,77,640	20,02,07,764	2,24,44,57,630

13.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No of shares held as at			
	March 31, 2021		March 31, 2020	
	Nos.	%	Nos.	%
IL&FS Energy Development Company Ltd	16,07,97,509	80.32%	16,07,97,509	80.32%
A.S.Coal Resources Pte Ltd, Singapore (refer note 56)	1,51,72,256	7.58%	1,51,72,256	7.58%
Infrastructure Leasing & Financial Services Limited(IL&FS Ltd)	2,42,37,999	12.10%	2,42,37,999	12.10%

13.3 Terms attached to Equity Shares:

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share. The company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Note 14 Instruments entirely equity in nature

Particulars	As at March 31, 2021	As at March 31, 2020
Convertible debentures		
-IL&FS Energy Development Company Ltd(Refer Note.14.1 below)	(843.91)	(843.91)
	(843.91)	(843.91)

14.1. Fully Compulsorily Convertible debentures(FCCD) issued to IL&FS Energy Development Company Limited outstanding as on March 31, 2015 were in the nature of equity as it carried an NIL interest rate and were convertible into fixed number of shares. Terms of issue of these debentures were changed subsequently in the year 2016-17 to carry an coupon rate of 16% per annum with retrospective effect since the date of issue and would be convertible at fair market value of shares. Hence FCCD were classified as financial liability in the year 2016-17 and interest accrued till the change in terms were debited to equity. The Company has accrued interest till 15.10.2018 based on advisory issued by IL&FS Group. Also refer note 1.2.



All amounts are in ₹ million, unless otherwise stated

Note 15 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium reserve	37,626.82	37,626.82
Debenture Redemption reserve	16.95	16.95
Retained Earnings	(33,458.82)	(37,396.44)
Foreign Exchange Translation Reserve	(785.39)	(743.09)
Total	3,399.56	(495.76)
Particulars	As at March 31, 2021	As at March 31, 2020
(a) Securities Premium Account		
Opening balance	37,626.82	32,479.92
Add : Addition during the year	-	5,146.90
Less : Utilised during the year	-	-
Closing balance	37,626.82	37,626.82
(b) Debenture Redemption Reserve		
Opening balance	16.95	16.95
Add : Addition during the year	-	-
Less : Utilised during the year	-	-
Closing balance	16.95	16.95
(c) Retained Earnings		
Opening Balance	(37,396.44)	(46,339.81)
Add : Profit for the year	3,934.59	8,941.08
Add : Remeasurement gain of defined benefit plans, net of tax	3.03	2.29
Closing Balance	(33,458.82)	(37,396.44)
(e) Foreign Exchange Translation Reserve		
Opening Balance	(743.09)	(264.55)
Additions/(Deletions)	(42.30)	(478.54)
Closing balance	(785.39)	(743.09)
Total Other Equity	3,399.56	(495.76)

Nature and purpose of reserves:

Securities Premium Reserve:

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve:

The Group is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Retained Earnings:

Retained Earnings are the profits of the Group earned till date net of appropriations.



All amounts are in ₹ million, unless otherwise stated

Note 16 Non-current borrowings
LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Portion	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured - At amortised cost				
i). Term Loans(Refer Note 16.2 below, 46, 49 and 50)(For interest accrued refer note 19)				
- From banks	43,080.77	46,777.07	5,845.50	2,144.12
-From Financial Institutions	5,817.36	6,311.02	782.66	289.00
Sub Total	48,898.13	53,088.09	6,628.16	2,433.12
Unsecured - at amortised cost				
i). Debentures(Refer Note 16.1 below, 46 and 50)(For interest accrued refer note 19)	-	2,495.69	5,206.12	2,706.12
ii). Debentures from related party(Refer No.14.1, 45a(iii) and 50)	4,743.87	4,743.87	-	-
iii). Term loan from related party(Refer Note 16.3 and 45 a(iii) and 50)(For interest accrued refer note 19)	2,043.28	2,043.28	3,533.67	3,533.67
Sub Total	6,787.15	9,282.84	8,739.79	6,239.79
Total	55,685.28	62,370.93	15,367.95	8,672.91

16.1.Non convertible debentures

Consequent to the approval of Board of Directors of the Company at their meeting held on November 28, 2016, the Company raised funds by way of private placement of 5,000 Secured, unlisted, redeemable non convertible debentures having face value of Rs. 10,00,000 aggregating Rs. 5,000 million. Birla Sunlife Trustee Company Private Limited subscribed for these debentures. The NCD was raised based on the undertaking given by IL&FS Energy Development Company Limited. Non Convertible Debentures carries a rate of interest of 9.80% p.a. These NCD's repayable in two installments of Rs. 2,500 million each on March 16, 2020 and March 14,2021 respectively.

16.2.Rupee Term Loan:

Long term loans together with interest, additional interest, default interest, upfront fees, costs, charges, expenses are secured in favour of the lenders/security trustees by way of first pari-passu charge without any lender having priority/preference over the other lender and include the following:

- A first charge over all the immovable properties of the Company including leasehold rights if any both the present & future.
- A first charge by way of hypothecation on all moveable assets including but not limited to plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets both present and future.
- A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising.
- A first charge over all Accounts, including without limitation, the Debt Service Reserve Account, the Escrow Accounts, letter of credits, and other reserves and such other Bank Accounts that may be opened in terms of hereof or project documents and over all the funds from time to time deposited therein and over all Authorised Investments or other securities representing all amounts credited thereto.



All amounts are in ₹ million, unless otherwise stated

(e) First Charge by way of mortgage/hypothecation/assignment or otherwise creation of Security interest within 6 months from the date of initial disbursement (a) all right, title benefit, claims and whatsoever of the Company on the Project Documents (b) all rights, title and interest of the Company under all Government Approvals (c) all rights, title, benefit, claims and demand whatsoever of the Company in any Letter of Credit, guarantee and liquidated damages and performance bond provided by any party to the Project Documents (d) all rights, title and interest of the Company in, to and under all Insurance Contracts / Insurance Proceeds.

(f) Non disposal undertaking from the promoter viz. IL&FS Energy Development Company Limited to hold at least 51% of the Paid up capital of the Company.

(g) Pledge of 100% shares of IL&FS Maritime Offshore Pte limited and IL&FS offshore Natural Resources Pte limited held by the company.

(h) There is no loan which is guaranteed by directors or others.

Rate of interest:

As on March 31, 2021, the term loan facility carries a rate of interest calculated at 5 year MCLR(8.45%) of Punjab national bank + 1.95% i.e. 10.40% p.a. The rate of interest shall remain floating throughout the tenor of the loan.

Terms of repayment

Repayable on quarterly instalments till 30.06.2037.

Breach of Loan agreement

Payments towards interest and principal have not been met since October 2018 based on order passed by Honorable NCLAT.

16.3.Term Loan from related party

Consequent to the approval of the Board of Directors of the Company at their meeting held on March 23, 2017, the company had availed an unsecured term loan of ₹ 3,270 million from M/s. IL&FS Energy Development Company Limited carrying a rate of 15.50% per annum. 30% of loan amount repayable at the end of 4 the year as first instalment, 30% of loan amount repayable at the end of 5 the year as second instalment and the balance of 40% of loan amount repayable at the end of 6th year as third and final instalment. During the previous year the Company has adjusted the deposit placed with IEDCL along with accrued interest of ₹352.58 million towards repayment of loan.

Consequent to the approval of the Board of Directors of the Company at their meeting held on March 29, 2017, the company had availed an unsecured term loan of ₹1,650 million from M/s. IL&FS Energy Development Company Limited carrying a rate of 15.50% per annum repayable within two years from the date of disbursement.

Consequent to the approval of the Board of Directors of the Company at their meeting held on March 29, 2017, the company had availed an unsecured term loan of ₹ 330 million and ₹ 720 million respectively from M/s. IL&FS Energy Development Company Limited carrying a rate of 16% per annum compounded quarterly repayable within two years from the date of disbursement.

The Company has accrued interest on loans from related parties only till 15.10.2018 based on advisory issued by IL&FS Group. The Company has netted off the margin money deposit and interest accrued on such margin money deposit with term loan balance as at March 31, 2019. The same is carried forward in the previous and current financial year. Also refer Note 45a(iii) and Note 1.2.



All amounts are in ₹ million, unless otherwise stated

Note 17: CURRENT BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
a. Short Term Loan		
- from Related parties (Refer Note 17.1 below and 45a(iii))(For interest accrued refer note 19)	900.06	903.92
Secured - at amortised cost		
a. Loan repayable on demand (Refer Note 17.2 below, 46 and 49)		
- from banks	8,519.83	8,519.83
Total	9,419.89	9,423.75

17.1. The Group has availed the following unsecured short term loans from its holding company IL&FS Energy Development Company Limited. Outstanding balance as on March 31, 2021 and March 31, 2020 is given below.

Facility Amount	Rate of interest	Date of Loan taken	Balance as on March 31, 2021	Balance as on March 31, 2020
123.60 million	16% p.a. compounding quarterly	11-Sep-17	24.54	24.54
123.60 million	16% p.a. compounding quarterly	12-Mar-18	120.82	120.82
314.05 million	NIL	19-Jan-18	314.05	314.05
290.00 million	NIL	28-Mar-18	290.00	290.00

The above loans were overdue since March 2019. No extensions were granted to the Company. The Company has accrued interest on loans from related parties only till 15.10.2018 based on confirmation received from Group. Also refer Note 45a(iii) and Note 1.2.

17.2. Loans repayable on demand from banks represents cash credit facilities availed by the Company. The principal moneys due from time to time and all interest thereon calculated from day to day at the rate hereinafter mentioned, additional interest, interest tax at the rate as in force, and the amount of all charges, commission and expenses etc. are secured by way of first pari-passu charge on:-

i. The present and future stocks of raw materials including in transit, work in process stores and spares (hereinafter referred to as the Goods), which belong to it and which now or hereinafter from time to time during the continuance of this agreement shall be brought in, stored or be in or about its premises or godowns at Cuddalore or any other godowns or be in the course of transit from one godown to another or wherever else the same may be and

ii. the present and future book debts, operating cash flows, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other moveable assets excluding bills purchased/discounted by Bank and bills against which advances have been made (all of which are hereinafter referred to as 'Book Debts') which belong to the Borrower and which now or hereinafter from time to time during the continuance of this Agreement may belong to it (the said 'Goods' and 'Book Debts' are hereinafter referred to as 'hypothecated assets'/'the Securities' apart from other Securities as more fully described in the Schedule hereto), as security for payment of the balance due to the Bank by the Borrower at any time or ultimately found due on the Bank by them at any time or ultimately found due on the closing of the said Accounts and for payment of all debts and liabilities mentioned hereafter.

None of the short term borrowings are guaranteed by Directors



All amounts are in ₹ million, unless otherwise stated

Note 18 Trade Payables

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Trade payables (refer note 45 b)	4,574.41	4,151.56
	4,574.41	4,151.56

There are no overdue amounts payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the group has not paid any interest to any Micro and Small Enterprises during the current and previous year.

Note 19 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
At Amortised Cost				
(a) Current maturities of long-term debt(Refer Note.16)	-	-	15,367.95	8,672.91
(b) Interest accrued but not due on borrowings	-	-	1,524.44	1,526.58
(c) Payable for fixed asset	-	-	5,906.18	5,965.14
(d) Retention money payable	-	-	2,275.68	2,324.78
(e) Other Liabilities				
- Security Deposits Payable	-	-	0.26	0.26
- Employee Benefits Payable	-	-	1.61	0.34
- Others	-	-	165.00	3.47
	-	-	25,241.12	18,493.48

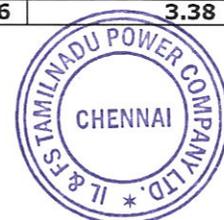
Note 20 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Statutory remittances (Contributions to PF and NPS, Withholding Taxes, ,GST etc.)	-	-	4.45	12.11
b. Advances from Customers	-	-	14.25	4.84
c. Deferred Government Grant (Refer note 20.1 below and 52)	8,488.45	8,750.10	248.36	235.95
	8,488.45	8,750.10	267.06	252.90

20.1. Movement in Government Grant (refer note 52)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the Year	8,986.05	9,236.03
Received during the Year	-	-
Released to the Statement of Profit and Loss	(249.24)	(249.98)
Balance at the End of the Year	8,736.81	8,986.05
Current	248.36	235.95
Non Current	8,488.45	8,750.10

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Provision for compensated absences and leave travel allowance	12.76	11.94	2.96	3.38
	12.76	11.94	2.96	3.38



All amounts are in ₹ million, unless otherwise stated

NOTE 22 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Revenue from operations		
Sale of power	25,116.92	32,341.70
Less: Rebate Allowed	-	(147.79)
	25,116.92	32,193.91
(b) Other operating revenues		
- sale of by-product	51.35	62.07
- interest on overdue receivables(refer note 42)	2,472.97	1,820.64
- Deferred income	249.24	249.98
	27,890.48	34,326.60

Timing of Revenue Recognition:

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and services recognised at a point of time	27,641.24	34,076.62
Goods and services transferred over a period of time	249.24	249.98

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	18,749.28	18,092.17
Contract Assets (unbilled revenue)	2,589.30	3,150.38
Contract Liabilities (advance from customers)	14.25	4.84

Set out below is the amount of revenue recognised from :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amount included in contract liabilities at the beginning of the year	4.84	158.25

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Revenue as per contracted price	25,116.92	32,341.70
Adjustments		
Discount allowed	-	(147.79)
Revenue from contract with customers	25,116.92	32,193.91

Break up of revenue from operations :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Revenue from operations		
In India	25,116.92	32,341.70
Outside India	-	-

Note 23 Other Income

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss				
On Deposits	279.58		120.83	
On Income Tax Refund	0.85		-	
		280.43		120.83
(b) Net gain on foreign currency transaction and translation		68.08		-
(c) Other non-operating income		10.78		35.18
(d) Provisions no longer required		10.90		8.25
		370.19		164.26



All amounts are in ₹ million, unless otherwise stated

Note 24 Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Coal and limestone	12,106.05	19,821.68
(b) Oil	40.38	37.07
(c) Stores, spares and consumables	141.53	222.61
Total	12,287.96	20,081.36

NOTE 25 Other Direct Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Operation & Maintenance	473.41	467.46
(b) Railway freight & detention charges	4.07	3.40
(c) SRLDC Charges	63.19	98.01
Total	540.67	568.87

Note 26 Employee Benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries, Wages and Bonus	176.48	184.16
(b) Contribution to Provident and Other Funds	13.31	15.48
(c) Staff Welfare Expenses	1.69	2.25
Total	191.48	201.89

Note 27 Finance Cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i) Interest costs (Also refer note 50)		
(a) Debentures	-	-
(b) Loans	-	10.20
(c) On long term financial liabilities	-	-
(d) On derecognition of financial liabilities measured at amortised Cost	-	130.92
(ii) Other borrowing costs* (refer note 45 a(i))	149.61	181.91
	149.61	323.03

*Other borrowing costs includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.



All amounts are in ₹ million, unless otherwise stated

Note 28 Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation/amortisation on		
a. Property, plant and equipment	1,986.22	2,011.47
b. Intangible assets	-	-
	1,986.22	2,011.47

Note 29 Other expenses

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Power and Fuel		1.25		1.24
Rent		15.31		14.80
Repairs and Maintenance				
- Buildings	20.95		20.53	
- Others	70.99		91.96	
Insurance		91.94		112.49
Rates and Taxes		115.92		116.62
Communication Expenses		16.62		30.41
Travelling and Conveyance		0.22		0.29
Printing and Stationery		11.95		13.32
Auditors' Remuneration(Refer note 32)		0.31		0.41
Legal and Professional Expenses		4.17		3.30
Directors Sitting Fees		72.70		54.26
Green belt and Environmental Expenses		0.53		0.32
Security Expenses		7.64		5.88
Foreign Exchange Differences (Net)		74.69		70.59
LTOA relinquishment charges		33.82		45.35
Provision for doubtful debts(ECL) (Refer note 42)		-		655.70
Corporate Social Responsibility expenditure(Refer note 31)		1,242.96		1,010.19
Impairment of Property, Plant & Equipment (Refer note)		5.35		7.93
Impairment of Financial Asset		5,611.40		-
Impairment of CWIP (refer note 51 b)		1,328.27		-
Provision for Aged Spares		331.82		225.09
Loss of property due to cyclone		118.84		-
Loss of stock during transit		75.82		-
Miscellaneous Expenses		9.30		-
		1.29		2.43
		9,172.12		2,370.62

30.1 Income taxes

	Year ended March 31, 2021	Year ended March 31, 2020
A. Amount recognised in statement of profit and loss		
Current tax (a)		
Current period	989.84	3,121.76
Deferred tax (b)		
Attributable to - Origination and reversal of temporary differences	(989.84)	(3,121.76)
Total income tax expense recognised in the current year relating to continuing operations	-	-



All amounts are in ₹ million, unless otherwise stated

B. Reconciliation of effective tax rate

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
Profit before tax as per Statement of Profit and loss	3,932.61	8,933.62
Income tax using the company's domestic tax rate @ 25.17%	989.84	3,121.76
Effect of:		
- Provision for loss allowance	312.85	252.19
- Disallowance of impairment of financial assets, PP&E, CWIP and CSR	2,394.11	166.90
- Finance cost and employee benefit plans	0.76	33.32
- Others	(521.28)	(919.52)
- Difference in depreciation in books vs income tax depreciation	(1,407.53)	(2,001.53)
- Brought forward losses and unabsorbed depreciation on which DTA was not created	(1,706.02)	(590.20)
- Income exempt from tax (Revenue recognition of government grants)	(62.73)	(62.92)
Income tax recognised in Statement of Profit and Loss	(0.00)	0.00

During the previous year ended March 31, 2020, the Company evaluated the option given under the New Tax Ordinance and found that it would be beneficial to opt for the new tax regime. The company has adopted new tax regime under section 115 BBA of the Income Tax Act, 1961 from the FY 2019-20 onwards.

Note 30.2. Recognised deferred tax assets and liabilities

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at	As at	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Property, plant and equipment	-	-	7,672.20	6,823.89	7,672.20	6,823.89
Provision for employee benefits	(3.96)	(3.86)	-	-	(3.96)	(3.86)
Loss allowance on trade receivables	(892.55)	(582.44)	-	-	(892.55)	(582.44)
Unabsorbed depreciation	(6,775.69)	(6,237.59)	-	-	(6,775.69)	(6,237.59)

The Company has recognised deferred tax asset on unabsorbed depreciation/carry forward losses to the extent of the deferred tax liability. No deferred tax asset has been recognised on the above unutilised tax losses and unabsorbed depreciation for the matters as disclosed in Note 1.2.



All amounts are in ₹ million, unless otherwise stated

31. Details of CSR Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the Group during the year	NIL	NIL
Amount spent during the year	Paid in cash	Paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	5.35	7.93

32. Payment to auditors

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor:		
Audit Fee	4.17	3.30
Tax audit Fee	-	-
In other capacity	-	-
Fee for certificates and other services	0.05	0.10
Out of pocket expenses	-	0.03
	4.22	3.43

33. Operating lease arrangements

33.1 Group as Lessee

The Group has taken office premises on operating lease

33.2 Payments recognised as expense in the statement of profit and loss

Particulars	2020-21	2019-20
Rental expenses	15.31	14.80

34. Contingent Liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. As stated in Note 45b the Group has also received claims from the creditors through the claims management process discussed in that note. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.



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Particulars	As at March 31, 2021	As at March 31, 2020
(a) Bank Guarantee provided to customs department in relation to grant (refer note 52)	4,302.30	4,302.30
(b) Other Bank Guarantees	1,890.43	2,922.27
(c) Disputed Stranded Capacity as per the order of CERC under appeal before Appellate Tribunal for Electricity, New Delhi.	44.70	121.48
(d) Claims against the company not acknowledged as debt (refer note 45 (a)(v) and 45(b))	26,263.21	17,127.26

There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

35. Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of capital commitments remaining to be executed net of advances	935.74	935.74

36. Segment Information

The Group is in the business of power generation projects, as such all activities undertaken by the Group are incidental to the main business. There are no separate primary business segments as per Ind as 108 on segment reporting. The breakup of geographical segment is as stated below

Particulars	In India (2020-21)	Outside India (2020-21)	Total	In India (2019-20)	Outside India (2019-20)	Total
Segment Revenue	27,890.48	-	27,890.48	34,326.60	-	34,326.60
Segment Asset	1,07,608.19	612.71	1,08,220.90	1,02,172.83	1,923.19	1,04,096.02
Capital expenditure during the year	5.04	-	5.04	9.66	-	9.66
Total	1,35,503.71	612.71	1,36,116.42	1,36,509.09	1,923.19	1,38,432.28



All amounts are in ₹ million, unless otherwise stated

37. Employee benefit plans

A. Defined contribution plans

The Company in India makes Provident Fund and NPS contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

During the year the following amounts have been recognised in the Profit and loss Statement on account of defined contribution plans:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	INR	INR
Employers contribution to Provident Fund	8.10	8.57
Employers contribution to National Pension Scheme	0.54	0.57

B. Defined benefit plans :

Gratuity -

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

a. Change in defined benefit obligation

Particulars	Gratuity (Funded)	
	March 31, 2021 In ₹	March 31, 2020 In ₹
Present Value of obligations at the beginning of the year	28.87	25.54
Current service cost	5.16	5.58
Interest Cost	1.77	1.82
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	(2.75)	(2.07)
Benefits paid	(2.98)	(2.00)
Present Value of obligations at the end of the year	30.07	28.87

b. Changes in the fair value of planned assets

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at beginning of year	31.45	20.86
Return on plan assets	1.95	1.86
Contributions from the employer	0.32	10.49
Benefits Paid	(2.98)	(2.00)
Re-measurements:	-	-
Return on planned assets	0.29	0.24
Fair Value of plan assets at the end of the year	31.03	31.45

c. Amounts recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Projected benefit obligation at the end of the year	30.07	28.87
Fair value of plan assets at end of the year	(31.03)	(31.45)
Funded status of the plans - Liability recognised in the balance sheet	(0.96)	(2.58)

d. Components of defined benefit cost recognised in profit or loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	5.16	5.58
Net Interest Expense	-	-
Interest cost on DBO	1.77	1.82
Less: Interest income on plan assets	(1.95)	(1.86)
Net Cost in Profit or Loss	4.98	5.54

e. Components of defined benefit cost recognised in Other Comprehensive income

Particulars	March 31, 2021	March 31, 2020
Remeasurement on the net defined benefit liability:	(2.74)	(2.07)
- Actuarial gains and losses arising from experience adjustment	-	-
Return on plan assets	(0.29)	(0.22)
Net Cost in Other Comprehensive Income	(3.03)	(2.29)



All amounts are in ₹ million, unless otherwise stated

f. Significant actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.60%	6.48%
Expected rate of salary increases	5.00%	5.00%
Expected rate of attrition	9.00%	9.50%
Average age of members	37.00	36.40
Average remaining working life	9.00	8.70
Mortality (IALM (2006-2008) Ultimate)	100.00%	100.00%

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	March 31, 2021	March 31, 2020
Discount rate		
- 0.50% increase	29.16	28.00
- 0.50% decrease	31.04	29.77
Salary growth rate		
- 0.50% increase	31.10	29.83
- 0.50% decrease	29.09	27.94

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

The Group's best estimate of the contribution expected to be paid to the plan during the next year NIL (PY:NIL).

Effect of Plan on Entity's Future Cash Flows:

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows) - 6 years (as on March 31, 2019-6.9 years)

c) Expected Benefit payments in the following years:

	In ₹
Year 1	2.76
Year 2	3.79
Year 3	2.84
Year 4	7.14
Year 5	2.56
Next 5 years	11.13

C. Long Term Compensated Absences

The assumptions used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Assumptions	March 31, 2021	March 31, 2020
Discount rate	6.60%	6.48%
Attrition Rate	9.00%	9.50%
Expected rate of salary increases	5.00%	5.00%



All amounts are in ₹ million, unless otherwise stated

38. Earnings per Share:

a. Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

b. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings per share	19.65	44.66
Diluted Earnings per share	15.02	29.27

38.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after Tax	3,934.59	8,941.08
Earnings used in the calculation of basic earnings per share	3,934.59	8,941.08
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	200.21	175.97
Add: Equity shares to be Issued (Refer note below)		24.24
Number of equity Shares of ₹ 10 each outstanding at the end of the year	200.21	200.21
Weighted Average number of Equity Shares	200.21	200.21

Note :

During the year 2018-19, the Company has included the instruments entirely equity in nature in ordinary shares for calculating Earning per Share ("EPS") as per the requirement of Ind AS 33 (refer note 15.2). In the previous year the company has issued the shares.

38.2 Diluted Earnings per share

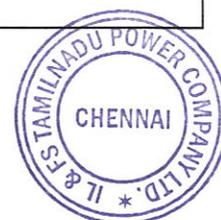
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings used in the calculation of basic earnings per share	3,934.59	8,941.08
Adjustments: Interest on Fully convertible debentures	-	-
Earnings used in the calculation of diluted earnings per share	3,934.59	8,941.08

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of equity shares used in the calculation of basic earnings per share	200.21	200.21
Potential Equity shares to be issued Fully convertible debentures*	61.82	105.24
Weighted average number of equity shares used in the calculation of diluted earnings per share	262.03	305.44

* For the purpose of calculation of diluted EPS, the weighted average number of diluted equity shares including 61.82 million (March 31, 2020: 105.24 million) potential equity shares determined based on the enterprise valuation of the company performed as at March 31, 2021 arising from the contractual terms regarding the conversion of FCCDs issued by the company into equity.



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39. Related party transactions

List of related parties and relationship

a. Ultimate Holding Company

Infrastructure Leasing & Financial Services Limited (IL&FS Ltd)

b. Holding Company

IL&FS Energy Development Company Limited (IEDCL)

c. Fellow Subsidiaries

IL&FS Financial Services Limited
IL&FS Environmental Infrastructure Services Limited
IL&FS Maritime Infrastructure Company Limited
IL&FS Education and Technology Services Limited
IL&FS Engineering & Construction Company Ltd
Porto Novo Maritime Limited
IL&FS Cluster Development Initiative Limited
ISSL Settlement & Transaction Services Ltd
IL&FS Transportation Networks Limited
IL & FS Technologies Limited
Livia India Limited
Maritime offshore Pte limited

d. Joint Ventures

Cuddalore Solar Power Private Limited

e. Key Management Personnel

Sanjeev Seth, Managing Director (w.e.f. 25-01-2021)
Sushil Kumar Agarwal, Chief Financial Officer (w.e.f. 07-06-2021)
Harshlatha J Lalwani, Company Secretary (w.e.f 03-12-2021)
N.Ramesh, Chief Executive officer (Till 31-05-2021)
N K Balaji, Chief Financial Officer (Till 31-03-2021)
Priya Iyer, Company Secretary (Till 13-08-2021)

f. Non Executive directors

Malini Vijay Shankar (w.e.f. 31-01-2020)
Neerav Yashwant Kapasi (w.e.f. 02-12-2020)
Feby Koshy Bin Koshy (w.e.f. 02-12-2020)
Vineet Nayyar (ceased to be director w.e.f. 1st November, 2020)
Ashwani Kumar (ceased to be director w.e.f. 15th October, 2020)
Maharudra Manohar Wagle (ceased to be Director w.e.f. 17th August, 2020)

Nature of transaction with related parties

Particulars (Also refer note 44, 45 and 51)	As at	As at
	March 31, 2021	March 31, 2020
Issue of Share Capital arising from conversion of debt		
Infrastructure Leasing & Financial Services Limited	-	242.38
Security Premium on conversion of Debentures		
Infrastructure Leasing & Financial Services Limited	-	5,146.90
Conversion of debentures		
Infrastructure Leasing & Financial Services Limited	-	(5,389.28)
Rental income		
IL&FS Environmental Infrastructure Services Limited	-	-
IL&FS Maritime Infrastructure Company Limited	0.14	0.12
Porto Novo Maritime Limited	0.14	0.12



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Particulars	As at March 31, 2021	As at March 31, 2020
Repairs and maintenance		
Infrastructure Leasing & Financial Services Limited	-	1.35
Impairment of Financial Asset		
Infrastructure Leasing & Financial Services Limited	1,328.27	-
Impairment of CWIP		
IL&FS Maritime Infrastructure Company Limited(refer note 44)	-	223.74
Remuneration to key management personnel		
a)Salary including perquisites		
Sanjeev Seth	2.38	-
N Ramesh	12.33	12.28
N K Balaji	6.50	5.78
Priya Iyer	0.85	0.84
Sitting fee paid to non whole time directors	0.53	0.25



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Balance outstanding with related parties:

Particulars	As at March 31,2021	As at March 31,2020
Year-end payable balances		
IL & FS Energy Development Company Limited	169.07	169.07
Infrastructure Leasing & Financial Services Limited	878.68	878.68
IL&FS Environmental Infrastructure Services Limited	5.19	5.19
IL&FS Financial Services Limited	255.09	255.09
IL&FS Technologies Limited	0.10	0.10
Porto Novo Maritime Limited	55.53	55.53
IL&FS Maritime Infrastructure Company Limited (Refer note 45a (ii))	1,745.26	1,745.26
IL&FS Transportation Networks Limited	228.72	228.72
Year-end receivable balances		
IL&FS Environmental Infrastructure Services Limited	1.25	1.25
Porto Novo Maritime Limited	1.31	1.17
IL&FS Maritime Infrastructure Company Limited	2.86	2.71
Maritime Offshore Pte Limited	1.32	1.36
Share Capital		
IL & FS Energy Development Company Limited	1,607.98	1,607.98
A S Coal Resources Pte Limited	151.72	151.72
Infrastructure Leasing & Financial Services Limited	242.38	242
Security Premium on Conversion of Debentures		
IL & FS Energy Development Company Limited	32,187.84	32,187.84
A S Coal Resources Pte Limited	96.79	96.79
Infrastructure Leasing & Financial Services Limited	5,146.90	5,147
Convertible Debentures		
IL & FS Energy Development Company Limited	(843.91)	(843.91)
Inter-company borrowings received		
IL & FS Energy Development Company Limited	6,326.36	6,326.36
Debentures outstanding(including interest accrued)		
IL & FS Energy Development Company Limited	4,743.87	4,743.87
Financial Asset-Loans		
Infrastructure Leasing & Financial Services Limited	0.03	0.03
Accrued Interest Payable		
IL & FS Energy Development Company Limited	1,331.06	1,331.06
L&FS Transportation Networks Limited	22.26	22.26



All amounts are in ₹ million, unless otherwise stated

40. Financial instruments

40.1 Capital management

The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Group. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Group:

Particulars	As at	As at
	31 March 2021	31 March 2020
Equity	4,528.96	637.98
Debt	80,473.12	80,467.59
Cash and cash equivalents	(17,109.18)	(3,063.36)
Net debt	63,363.94	77,404.23
Total capital (equity + net debt)	67,892.90	78,042.21
Net debt to Total capital (equity+Net debt) ratio	0.93	0.99

40.2 Categories of financial instruments

Particulars	As at	As at
	31 March 2021	31 March 2020
Financial assets-Non Current		
at amortised cost		
(i) Investments	0.12	0.12
(ii) Trade Receivables(refer note 42)	2,220.95	2,220.95
(iii) Other financial assets	1,716.65	1,430.41
Financial assets-Current		
at amortised cost		
(i) Trade Receivables(refer note 42)	16,528.33	15,871.22
(ii) Cash and Cash Equivalents	17,109.18	3,063.36
(iii) Bank balances other than (ii) above	713.41	1,220.02
(iv) Other Financial assets	2,691.92	3,228.48
Financial Liabilities-Non Current		
at amortised cost		
(i) Borrowings(refer note 14,16,45a(iii),46 and 50)	55,685.28	62,370.93
(ii) Other financial Liabilities	-	-
Financial Liabilities-Current		
at amortised cost		
(i) Borrowings(refer note 17,45a(iii),46 and 50)	9,419.89	9,423.75
(ii) Trade Payables	4,574.41	4,151.56
(iii) Other financial Liabilities	25,241.13	18,493.48



All amounts are in ₹ million, unless otherwise stated

40.3 Financial Risk Management Objective and Policies:

The Group's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Group. The Management ensures appropriate risk governance framework for the Group through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

In the ordinary course of business, the Group is exposed to market risk, credit risk, and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure of ₹ 69,252.24 million as on 31st March, 2021 and ₹ 69,242.85 millions as on 31st March, 2020 and all other variables were held constant, the Company's profit for the year would increase or decrease as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact on Profit or Loss for the year	346.26	346.21

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

Every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S.dollar on the exposure of \$ 57.89 million as on 31st March, 2020 and \$ 59.17 million as on 31st March, 2019, would have affected the Group's profit for the year as follows:

Particulars	Impact of change in USD to INR	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Impact on Profit or Loss for the year	42.70	43.64

Foreign currency risk management

The Group is exposed to foreign exchange risk on account of following:

1. Purchase of Coal
2. Foreign currency payables on account of project liabilities.

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward covers) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies. Consequent to matters described in Note 1.2 above, the Group has not hedged any of its exposure during the year.



All amounts are in ₹ million, unless otherwise stated

i). The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	Liabilities		Liabilities	
	USD		INR	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Outstanding value of retention money/ Liabilities in respect of project contracts	47.29	47.29	3,476.13	3,565.09
Payables towards purchase of raw material	10.80	10.60	793.77	799.03
Total	58.09	57.89	4,269.90	4,364.12

c) Commodity price risk

The Group operating activities require the on-going purchase of coal and other fuel. This is affected by the price volatility of certain commodities. The Group is hedging the same by procuring the coal in the current market and keeping a close tap of the price with the cost of generation thereby ensuring this does not result in negative operating margins.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is having majority of receivables from State Electricity Boards which are Government undertakings and hence they are secured from credit losses in the future. Though there are delays in payments there is no risk with regard to certainty of collection. Refer Note 6.3 for credit concentration.



All amounts are in ₹ million, unless otherwise stated

40.4 Liquidity risk management

The Group endeavour to manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Consequent to matters described in Note 1.2 above, the Group's funds management has undergone a change. Currently, the Group solely depends on its ability to collect money from its power sale customers which in turn effects the procurement plan and this can have cascading effect on declaring availability and generation of power.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments as at March 31, 2021:

Particulars	Carrying amount	upto 1 year	1-5 year	More than 5 year	Total contracted cash flows
Borrowings (including current maturities of long term borrowings)	80,473.12	24,787.84	20,130.97	35,554.31	80,473.12
Trade Payables	4,574.41	4,574.41	-	-	4,574.41
Other Financial Liabilities	9,873.18	9,873.18	-	-	9,873.18
Total	94,920.70	39,235.42	20,130.97	35,554.31	94,920.70

The table below provides details of financial assets as at 31 March 2021:

Particulars	Carrying amount
Trade receivables	18,749.28
Other financial assets	22,231.29
Total	40,980.57

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments as at March 31, 2020:

Particulars	Carrying amount	upto 1 year	1-5 year	More than 5 year	Total contracted cash flows
Borrowings (including current maturities of long term borrowings)	80,467.59	18,096.66	31,626.92	30,744.01	80,467.59
Trade Payables	4,151.56	4,151.56	-	-	4,151.56
Other Financial Liabilities	9,820.57	9,820.57	-	-	9,820.57
Total	94,439.72	32,068.79	31,626.92	30,744.01	94,439.72

The table below provides details of financial assets as at 31 March 2020:

Particulars	Carrying amount
Trade receivables	18,092.17
Other financial assets	8,942.39
Total	27,034.56



All amounts are in ₹ million, unless otherwise stated

40.5. Financial Instruments

Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Carrying value	Fair Value through profit or loss	Fair value	Carrying value	Fair Value through profit or loss	Fair value
Financial assets						
Financial assets at amortised cost:						
- Trade receivables	18,749.28	-	18,749.28	18,092.17	-	18,092.17
- Cash and cash equivalents	17,109.18	-	17,109.18	3,063.36	-	3,063.36
- Bank balances other than cash and cash equivalents	713.41	-	713.41	1,220.02	-	1,220.02
- Investments	0.12	-	0.12	0.12	-	0.12
- Other financial assets	4,408.58	-	4,408.58	4,658.89	-	4,658.89
Particulars	As at March 31, 2021			As at March 31, 2020		
	Carrying value	Fair Value through profit or loss	Fair value	Carrying value	Fair Value through profit or loss	Fair value
Financial liabilities						
Financial liabilities at amortised cost:						
Borrowings	80,473.12	-	80,473.12	80,467.59	-	80,467.59
Trade payables	4,574.41	-	4,574.41	4,151.56	-	4,151.56
Other financial liabilities	9,873.18	-	9,873.18	9,820.57	-	9,820.57

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Derivatives are fair valued using market observable rates.

41. Investments in and loans due from ILFS Maritime Offshore Pte Ltd

These consolidated financial statements include amounts in respect of IMOL, the Company's subsidiary, which in turn is the holding Company of certain downstream subsidiaries that (a) own a mine in Indonesia and (b) have mining rights to operate the said mine. The mining & marketing rights were acquired as a result of acquisition of another entity in financial year 2010-11, which had resulted in goodwill, which was carried as intangible assets in the consolidated financial statements up to March 31, 2018.

As a result of the matters discussed in Note 1.2 above, and based on their estimates on impairment of the Company's investments in IMOL and further downstream subsidiaries, Management has determined and recognised impairment of Rs 3,763.11 million (March 31, 2020: Rs 2,559.80 million) in respect of IMOL. This amount of provision has been adjusted against intangible assets previously carried in the consolidated financial statements as referred to above. Net of such impairment, these consolidated financial statements include Rs 612.71 million, Rs 0.00 million, Rs 3,807.70 million and Rs (19.21) million (previous year – Rs 1,923.19 million, Rs 0.42 million, Rs 164.75 million, and Rs 18.84 million respectively), of total assets, total revenue, total losses and net cash flows, respectively, pertaining to the Group's subsidiary, whose consolidated financial statements under Ind AS have been prepared by Management but have not been audited.



All amounts are in ₹ million, unless otherwise stated

42. Trade receivables

a) Amount receivable for Tamil Nadu Generation and Distribution Corporation Limited ('TANGEDCO')

In terms of the Power Purchase Agreement dated December 12, 2013 (the "PPA") entered into between the Group and TANGEDCO, the Group carries the following in these financial statements as at March 31, 2021:

- a. Trade receivables of Rs 2,660.72 million and unbilled revenues of Rs 1,082.09 million (previous year – Trade receivable Rs.9,970.97 million and unbilled revenue Rs 1,323.72 million) both in respect of sale of power, and after considering collections receipt subsequent to year end;
- b. Trade receivables towards change in law claims of Rs 2,220.95 million as allowed by the PPA (previous year – Rs 2,220.95 million);
- c. Trade receivables towards interest on overdue payments up to March 31, 2021 of Rs 6,071.56 million (previous year – Rs 3,889.52 million)

In respect of (a) above, Management is of the view that delays on the part of TANGEDCO are due to cash flows constraints of TANGEDCO. However, Management is confident that such dues will be recovered in due course, and no provision is required there against.

In respect of (b) above, the Group received favourable order dated May 31, 2021 in respect of claims submitted with the Central Energy Regulatory Commission (CERC). This order is subject to any review or appeal by TANGEDCO. Accordingly, Management believes that these dues are fully recoverable, and no provision is required to be made in this regard.

In respect of (c) above, based on its assessment of recoverability of these amounts, management is of the view that a provision of Rs 3,035.78 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements.

b) Amounts receivable from PTC India Limited ("PTC")

In terms of the Power Purchase Agreement dated December 12, 2013 entered into between the Group and PTC, the Group has recorded the following in these financial statements:

- a) Trade receivables of Rs 867.75 million in respect of invoices for the month of April 2019 and for the month of February 2020 to May 2020 and February 2021 (net of collections received subsequent to year-end, which have been adjusted against to the respective invoice), and
- b) Unbilled revenues of Rs 1,507.21 million in respect of March 2021 (net of collections received subsequent to year-end till even date), towards supply of electricity and late payment surcharge.
- c) Trade receivables towards interest on overdue payments up to March 31, 2021 of Rs 278.14 million.

In respect of (a) & (b) above, Management is of the view that delays on the part of PTC are due to cash flows constraints of PTC, which are believed to be temporary in nature. Accordingly, Management is of the view that such dues will be recovered in due course, and no provision is required there against.

In respect of (c) above, based on its assessment of recoverability of these amounts, management is of the view that a provision of Rs 139.07 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements.



All amounts are in ₹ million, unless otherwise stated

43. Impairment of Property, Plant and Equipment ("PP&E")

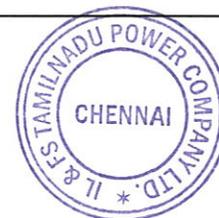
The Company has constructed a thermal based power project of 1200 Mega Watt (MW) in two units (Unit I and Unit II) of 2 X 600 MW each (during Phase I). Unit I achieved its Commenced Operations Date ("COD") in the year 2015-16, and Unit II achieved COD in the year 2016-17. The Company entered into a Power Purchase Agreement ("PPA") with TANGEDCO in respect of Unit I, for a period of 15 years, effective June 01, 2014. In respect of Unit II, the Company has entered into a PPA effective April 1, 2019, for a period of 3 years.

Management performed an assessment of the recoverable amount of the above-mentioned Cash Generating Unit (CGU), and related provision for impairment, as at March 31, 2021, under the requirements of Ind-AS 36, Impairment of Assets. The Management obtained a third-party valuation on a Fair Market Value less cost of disposal of the CGU and also calculated value in use based on present value of future cash flows. The recoverable amount considered for above CGU, is Rs.53820.50 millions being the value in use based on present value of future cash flows. Consequently, an impairment loss provision of Rs. 5,611.40 million was recognised during the year ended March 31, 2021.

In respect of the above, management estimated the value in use using discounted future cash flows from the power plant over its remaining useful life. In making these estimates, management relied on internal and external estimates for significant inputs, including future price of the coal, foreign exchange rates and terminal values, weighted average cost of capital and made certain assumptions relating to future tariff and estimate of operational performance. Any future changes to such assumptions could affect the discounted cash flows and, consequently, the recoverable amounts and the provision for impairment made in this regard.

44. Capital work in progress ("CWIP") relating to construction of jetty

As at March 31, 2020 the Group carried CWIP of Rs 331.82 million (net of impairment provisions till that date) in the financial statements representing costs incurred towards construction of a jetty near the Group's power plant in Tamil Nadu. During the year, based on the current status of the project, funding requirements and other factors, the Group has recognised a provision for impairment for the entire balance of CWIP amounting to Rs. 331.82 million as at March 31, 2021.



All amounts are in ₹ million, unless otherwise stated

45a. Commercial arrangements and claims received

(i) The Company had raised funds by way of private placement of two Secured, Unlisted, Redeemable Non-Convertible Debentures ("NCD") having face value of Rs.10,00,000 each, aggregating Rs.5,000 million, backed by corporate guarantee and/or undertakings by IL&FS and IL&FS Energy Development Company Limited (IEDCL). Pursuant to an arrangement with IL&FS, the Company was required to pay monitoring fees to IL&FS in respect of the above-mentioned private placement of NCDs. Subsequent to the downgrading of credit rating of IL&FS after October 2018, holders of NCDs of the Company have increased interest rates on NCDs issued by the Company. As result of the foregoing, Management concluded that the arrangement with IL&FS and IEDCL became infructuous from October 15, 2018 and April 1, 2019, respectively. Accordingly, no expenses in this regard have been accounted for by the Company in the previous year and current year.

(ii) The Company entered into an agreement dated May 25, 2017 with IL&FS Maritime Infrastructure Company Limited ("IMICL"), an IL&FS Group Company, for providing coal handling services to the Company. As per the said agreement, the Company was required to pay fixed charges on yearly basis to IMICL in addition to variable charges per tonne of coal handled. Such charges had been waived by IMICL from 2018-19. In addition, the Company was liable to pay interest on delayed payment of dues pertaining to the period from July 1, 2017 to March 31, 2018, aggregating to Rs 386.30 million as on March 31, 2019. This contract with IMICL was terminated by the Company effective April 1, 2019. Against the above, an amount of Rs 278.86 million has been claimed by IMICL on the Company, including as part of the claims process as at March 31, 2021 (refer Note 45b). The Company has not admitted these claims, and hence has not accounted for such costs in these financial statements. No such claims have been made on the Company, or been recorded by the Company, in respect of the current financial year.

(iii) As at March 31, 2021, the Company had borrowings from IEDCL, its holding Company, represented by debentures (Note 17) and term loans (Note 17 and 18), in respect of which interest expenses was recognised till October 15, 2018. Further to the matters stated in note 1.1 and 1.2 above, no interest has been recognised from October 16, 2018 on such borrowings which aggregates to Rs. 4,490.70 million as at March 31, 2021 including Rs. 1,955.81 million in respect of the current financial year.

(iv) The Company had entered into an agreement with Porto Novo Maritime Limited ("PNML") (more fully discussed in Note 52a), in respect of which, interest expenses aggregating to Rs 705.34 million as at March 31, 2021, including Rs 198 million in respect of the year ended March 31, 2021, which are contractually payable to PNML, have not been accounted for by the Company. Against the above, an amount of Rs 218.75 million has been claimed by PNML through the claims process (refer Note 45b) or otherwise.

(v) As a result of the various matters stated in Note 1.2 to these financial statements, in respect of the previous financial year, management has determined at the time that no interest will be payable by the Group, on loans from banks, debentures other than in Note 45(a)(iii) above (for the period after October 15, 2018), and cash credit accounts (for the period after October 31, 2018). Accordingly, the Group has not recognised finance costs aggregating to Rs. 20,801.37 million approximately as at March 31, 2021 (Rs 11,726.17 million as at March 31, 2020) which has been included under contingent liabilities (Note-34). Further, as the Group had paid interest till October 31, 2018 on the said loans from banks, an amount of Rs 268.98 million was included as recoverable (in Note 8) in respect of interest for the period from October 16, 2018 to October 31, 2018. Based on the NCLAT order dated March 12, 2020 on clarification related to interest for the recognition, the Group has not recognised finance cost amounting to Rs. 9,075.19 million on loans from banks, debentures other than in Note 45(a)(iii) above, and cash credits accounts for the current year.

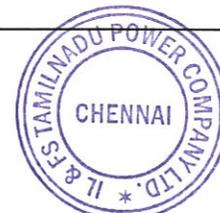
The aggregate value of the liabilities not accounted for, in (i) to (v) above, is Rs 26,405.84 million as at March 31, 2021 (Rs 15,176.83 million as at March 31, 2020).

45 b. Creditors claims process

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated 17 December, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by IL&FS, the ultimate holding Group of the Group, to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Group Law Appellate Tribunal ("NCLAT"), the creditors of the Group were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof on or before 5 June, 2019 (date later extended till June 20, 2019) to a Claims Management Advisor ("CMA") appointed by IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA, vide their communications dated May 28, 2021 to the management of IL&FS Group pursuant to the claims received to date, on the status of the claims received and its admission status. The report is subject to updation based on additional information / clarification that may be received from the creditors in due course.

Management of the Group is in the process of reviewing the claims made by third parties with the CMA, of Rs 15,937.02 million in respect of the Group (excluding from banks, and the amounts in note 45a(ii) and 45a(iv) above) as at October 15, 2018, and reconciling such claims with the corresponding amounts as per the Group's books of account. Against this, as at March 31, 2021, the Group has recorded liabilities aggregating Rs 10,475.17. million in respect of these claims. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Group as liabilities. Pending final determination in this regard, no adjustments have been made in this regard to these financial statements, and all such claims (to the extent not recorded as liabilities in the financial statements) have been disclosed as part of contingent liabilities (refer Note 34).



All amounts are in ₹ million, unless otherwise stated

46. Reconciliation of borrowings

As at March 31, 2021, the Group's books of account reflect a balance of Rs 81,466.79 million payable to the consortium of banks (with whom the Group has borrowing arrangements), without making any adjustments that may be required to give effect to the proposed restructuring of debt and other outstanding amounts to banks, as indicated in Note 54 to these financial statements. Against this, the statements / other information provided by those banks indicate outstanding balances by the Group aggregating Rs. 95,452.24 million (forming part of total claims by lenders of Rs. 88,576.78 million). Management believes that the net difference of Rs 13,985.45 million may be on account of interest costs not accounted for by the Group after October 15, 2018 (refer Note 45(v) to these financial statements) and/or incorrect / additional / penal interest charged by the banks. Accordingly, the Group has not accounted for the above difference in these financial statements.

47. Order of NCLT for re-opening and re-casting of financial statements of group companies

The National Company Law Tribunal ("NCLT"), vide order dated On 1 January 2019, has allowed petition filed by the Union of India for re-opening of the books of accounts and re-casting the financial statements of Infrastructure Leasing & Financial Services Limited ('IL&FS'), IL&FS Financial Services Limited ('IFIN') and IL&FS Transportation Network Limited ('ITNL') under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18. The process of such re-opening and re-casting of financial statements is currently in progress.

The Company had entered into transactions with IL&FS, IFIN and ITNL during the aforementioned years and the Board of Directors of the Company have reviewed these transactions and has evaluated the impact of this order on the Company. Based on such evaluation, and having regard to the fact that no such directions for re-opening of books of account or re-casting of financial statements of the Company has been issued till date, management is of the view that the re-opening of books of accounts and re-casting of financial statements of IL&FS, IFIN and ITNL does not have any impact on the financial statements of the Company as at and for the year ended March 31, 2021 and March 31, 2020. There are no transactions entered into by the Company with IL&FS, IFIN and ITNL during the current financial year.

48. Forensic audit of IL&FS group entities

The reconstituted Board of IL&FS has initiated a forensic examination for the period from April 2013 to September 2018 for certain companies of the Group including ITPCL, and appointed an external agency to perform the forensic audit and report to the Board of IL&FS. We have received the report during the year ended March 31, 2021. Based on the report, the Company had issued show cause notices (SCN) to three employees (one current and two former), regarding potential irregularities in transactions with vendors and the role of those employees with respect to those transactions in line with IL&FS Group forensic audit protocol. The Company has received responses from those individuals, and is in the process of implementing disciplinary action including but not limited to withholding of final settlement against these employees. Pending outcome of the matter, the financial statement consequences of the above are not currently determinable.

49. Non-compliance of laws and regulations and certain covenants

a) In earlier financial years, consequent to the resignation of certain independent directors, the Group is in non-compliance with requirements of the Companies Act, 2013 regarding constitution of an audit committee, and related requirements till November 18, 2019.

b) As a consequence of the matters described in Note 1.2 and Note 50 and various other matters discussed in these financial statements, the Group may not be in compliance with certain laws and regulations, including but not limited to certain provisions of The Companies Act, 2013. Management is in the process of evaluating the various consequences arising from such non compliances including their financial and operational impact. Pending final determination and assessment thereof, no adjustments have been made to these financial statements.

c) As a result of the forensic audit referred in Note 48 above, non-compliance in the period up to October 15, 2018, of, certain covenants in respect of loans taken by the Group, have been identified. Having regard to the Group's ongoing discussion with lenders and the matters stated in Note 1.2 above, no further adjustments have been considered necessary to these financial statements, in that regard.



All amounts are in ₹ million, unless otherwise stated

50. Classification of borrowings

Pursuant to the matter described in Note 1.2 above, the Group had not recognised the interest payable on loans from banks and financial institutions, from October 16, 2018 to March 31, 2021, and had not paid such interest and related principal, till March 31, 2021. Under the terms of the loan agreements with lenders, such non-payment constituted an event of default pursuant to which the entire loan liability would have become due and payable on a current basis, as at March 31, 2019 and thereafter. However, management was of the view that due to the moratorium, the terms of loan agreements resulting in such default would not be applicable to the Group. As a result, borrowings as at March 31, 2020 and March 31, 2021 have been classified as current and non-current based on the original terms of the loan agreement, without considering default provisions as above.

51. Accounting for amounts due / recoverable from IL&FS group companies

a. Porto Novo Maritime Limited ("PNML ")

The Group entered into a License Agreement dated September 15, 2010 with Tamil Nadu Maritime Board ("TNMB") on September 15, 2010 for the development and operation of the Parangipettai Port in Tamil Nadu, India (the "Port"), for a period of 30 years from August 15, 2010. The Group has transferred the Licence for port development and operation to PNML, an IL&FS group company, without any consideration. Thereafter, the Group signed a Memorandum of Agreement with PNML dated April 12, 2013 to develop, finance, implement and operate the Port as a captive port for the Group on a "Take or Pay" basis.

As per the Memorandum of Agreement with PNML, the Group was required to provide capital support of Rs 6,300 million to PNML towards construction of the Port, out of which Group paid Rs.2,903.50 million to PNML between March 2013 and February 2014. The development of the port was deferred due to various reasons, including delay implementation of Phase II of the Group's power plant. Subsequently, in July 2015, PNML refunded Rs.1,900 million out of the 2,903.50 million received from the Group.

The Group and PNML entered into an amendment dated March 7, 2016 to the Memorandum of agreement dated April 12, 2013, in terms of which the Group was required to pay a deposit of Rs 2,200 million to PNML in lieu of capital cost already incurred by PNML, and PNML was required to refund the balance Rs 1,003.50 million capital support to the Group. The Group had not received the capital support amount of Rs 1,003.50 million from PNML, and based on the financial condition of PNML, the Group provided for such amount of Rs 1,003.50 million as at March 31, 2019.

b. Costs incurred towards Carbon Capture Project, paid to IL&FS Environmental Infrastructure & Services Limited ("IEIS")

In earlier years, the Group had incurred Rs 413 million towards costs paid to IL&FS in relation to a carbon capture project and Rs 295 million towards costs paid to IEIS, towards services for assistance in obtaining environmental clearances for Phase II of the Group's power project. These amounts were previously carried as part of capital work in progress ("CWIP"). During the financial year ended March 31, 2019, based on the status of these projects and assessment of their recoverability and assessment of costs included under capital work in progress, management determined that these amounts are no longer recoverable through use, or have not met necessary parameters to support their being carried as CWIP. Accordingly, a total of Rs 708 million was written off from CWIP in this regard, during the year ended March 31, 2019.

c. Interest on margin money deposits placed with IEDCL

The Group has placed margin money deposits of Rs 327.13 million with IEDCL, its holding Company (also refer Note 17.3). The Group had recognised interest receivable on such margin money for the period April 1, 2018 to October 15, 2018, of Rs 9.76 million, which was adjusted against the balance of term loans payable as at 31 March 2019 (Note 17). The Group has not recognised interest on such margin money for any period thereafter, till March 31, 2021.



All amounts are in ₹ million, unless otherwise stated

52. Government Grants

The Group qualifies as a Mega Power Project, in terms of the applicable regulations in this regard, and has obtained a provisional Mega Power Project status certificate from the Ministry of Power, Government of India ("GoI"). In terms of the prevalent scheme at the relevant time, the Group had availed of exemption from customs and excise duty aggregating Rs 9,953.67 million on the purchase of equipment and spares for the Group's power project, which were secured by bank guarantees and fixed deposits. The grant of final mega power status of the Group is dependent on its achieving tie up for the supply of power for 85% of its installed capacity through the long-term PPAs by way of competitive bidding and the balance through regulated market within stipulated time (i.e., by January 2022). Under Ind AS, exemption of customs and excise duty has been treated as grant relating to income and accordingly, the amount of grant has been set-up as deferred income and has been recognised in statement of profit and loss over the useful life of the asset for which grant was received, with a corresponding balance recognised under Property, Plant & Equipment (Plant and Machinery).

As indicated in Note 1.1 above, in respect of Unit I of the Group's power plant operations, the Group has entered into a PPA for 15 years with TANGEDCO. During the previous financial year, the Group has obtained a mega power certificate (provisional) to the extent of 56.17% based on the amended Mega Power Policy 2009 and, accordingly, bank guarantees provided by the Group to the GOI for an amount of Rs 5,576.14 million (proportional to the total value of bank guarantees given) have been released. There are no further obligations or conditions attached to this portion of the grant.

As indicated in Note 1.1 above, in respect of Unit II, the Group has entered into a PPA effective April 1, 2019, for a period of three years. The Group has represented to Ministry of Power that it has not been able to enter into a long-term PPA, as required by the terms of the duty waivers explained above, due to a lack of market (represented by requests for proposals) for such power supply terms. Management also believes that there are no other material obligations or conditions attached to this remaining portion of the grant, and that the Group would continue to retain its Mega Power Project status in respect of Units I and II combined and, accordingly, no adjustments have been made to the financial statements in respect of the non current deferred government grants of Rs. 4,174.19 million (included in Note 21c).

53. Impact of COVID-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. The Group is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government Of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Group has ensured not only the availability of its power plant to generate power but has also continued to supply power during the period of lockdown, considering essential services as declared by the Government of India. Considering power supply being essential service, management believes that the impact likely due to this pandemic on the business of the Group is unlikely to be material.

54. Loan restructuring

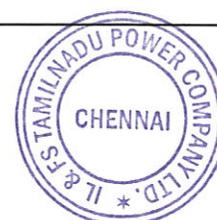
During the current year, Management has received approval from bankers/financial institutions to restructure the payables towards principal and interest in respect of the Group's borrowings from those banks/financial institutions. This approval of restructuring is subject to the approval of The Hon'ble NCLAT. Application for such approval was made on January 08, 2021 and the same was heard on August 05, 2021. The second hearing on September 29, 2021 was adjourned and was scheduled for hearing on December 01, 2021. The case was heard on the said date and Order awaited. Pending the Order/approval of the Hon'ble NCLAT and execution of contractual arrangements in this regard, no adjustments have been made in the financial statements.

55. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Useful life of Property, Plant & Equipment

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.



All amounts are in ₹ million, unless otherwise stated

ii) Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40.5.

iii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 37.

iv) Impairment

Impairment of Property, Plant & Equipment: Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

Impairment of Non-financial assets: Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is higher of its fair value less costs of disposal & its value in use. The fair value less costs of disposal calculation is based on available data from binding sale transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing the asset. The value in use is based on a DCF model.

v) Taxes

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Group's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

vi) Revenue

Revenue from operations on account of force majeure / change in law events in terms of Power Purchase Agreements with State Power Distribution Utilities, in certain cases is accounted for by the Group based on best estimates including orders / reports of Regulatory Authorities, which may be subject to adjustments on receipt of orders of the respective Regulatory Authorities or final closure of the matter with the customers.

vii) Going concern assumption

These financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future. (refer note 1.4.A(c) for management's assessment regarding going concern, including related judgments involved).



All amounts are in ₹ million, unless otherwise stated

56. Attachment of shares of the Company held by A.S. Coal

The Company received a copy of an order of the Directorate of Enforcement, Government of India, dated January 05, 2021, attaching the 14,851,486 equity shares of the Company held by its shareholder, A.S Coal Resources Pte Ltd, Singapore ("AS Coal"), towards alleged non-compliances by AS Coal and/or its shareholder(s), of the provisions of the Prevention of Money Laundering Act, 2002. The Company, which is named as a defendant in these proceedings, has submitted a reply dated May 04, 2021, that other than being the target company of the alleged non-compliances as stated above, the Company is not involved in any way in this matter. Accordingly, Management believes that this matter does not have any consequence on the Company, and no adjustments are required to the financial statements in this regard.

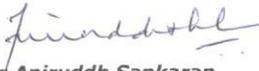
57. Previous year's figures have been regrouped wherever necessary to correspond with the current year's classification / disclosure.

58. Approval of financial statements

The financial statements were approved for issue by the board of directors on December 03, 2021.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration
No.101049W/E300004

For and on behalf of the Board of Directors


Per Aniruddh Sankaran
Partner
Membership No.211107


Sanjeev Seth
Managing Director
DIN No: 07945707


Dr. Malini Vijay Shankar
Director
DIN 01602529


Neerav Yashwant Kapasi
Director
DIN No:03500964

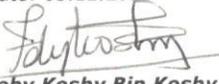
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Date: 03.12.2021

Place: Chennai
Date: 03.12.2021

Place: Chennai
Date: 03.12.2021

Place: Mumbai
Date: 03.12.2021




Feby Koshy Bin Koshy
Director
DIN No:08483345


Sushil Kumar Agarwal
Chief Financial Officer


Harshlatha J Lalwani
Company Secretary

Place: Mumbai
Date: 03.12.2021

Place: Chennai
Date: 03.12.2021

Place: Chennai
Date: 03.12.2021

