IL&FS TAMIL NADU POWER COMPANY LIMITED

Annual Report 2017-18

Contents

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: +44 30725550; Fax: +44 30725551
Email:info@itpclindia.com; Website: www.itpclindia.com

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of IL&FS Tamil Nadu Power Company Limited (the "Company") is scheduled to be held on Friday, the 28th day of September, 2018, at 11.30 AM 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 600 006, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the Audited Standalone Financial Statements for the year ended March 31, 2018 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, 2018 together with the Report of the Auditors thereon

2. To appoint a Director in the place of **Mr. Maharudra M Wagle (DIN 02115124)** who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Auditors and fix their remuneration and in this regard, 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W/ E300004) be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company to be held in the calendar year 2023, at such remuneration as shall be fixed by the Board of Directors of the Company."

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 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 2018-19 (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."

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

Priya Iyer
Company Secretary

Place: Mumbai
Date: August 20, 2018

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the special business under Item Nos. 3 and 4 set out above is annexed hereto.

2. The relevant details as required under Clause1.2.5 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.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.

4. **The instrument appointing a proxy should be duly completed, stamped & signed, and must be sent so as to reach the company's registered office not less than 48 hours before the time for holding the Annual General Meeting (AGM).**

5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

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. The authorised representative(s) of the corporate members are requested to bring a certified true copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 duly authorizing them to attend and vote at the annual general meeting on their behalf.

8. Member/ Proxy(ies) / Authorised representatives should bring the duly filled attendance slips sent herewith to attend the meeting.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

10. Details as required as per Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

11. Members may also note that the Notice of the 12th AGM and the Annual Report for the year 2017-18 will be available on the Company's website, www.itpclindia.com.

12. Route map and prominent land mark for easy location of the venue of the Meeting is given in Annexure A.

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 August 20, 2018 as required under Section 102 of the Companies Act, 2013

Item No. 3:

At the Annual General Meeting held on September 29, 2014, Messrs Deloitte Haskins & Sells, (Firm Registration No. 008072S), Chartered Accountants, Chennai, were appointed as the statutory auditors of the Company to hold office till the conclusion of the 13th Annual General Meeting to be held in the year 2019.

However, in accordance with the IL&FS Group policy the Company proposes to appoint Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W/ E300004) as Statutory Auditors of the Company. At the request of the Company Messrs Deloitte Haskins & Sells have agreed to resign as the statutory auditors of the Company from the conclusion of this Annual General Meeting.

The Board of Directors at their meeting held on August 20, 2018 has approved the appointment of Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W/ E300004) as the statutory auditors of the Company for a period of 5 years to hold office from the conclusion of ensuing Annual General Meeting 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, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Company has received confirmation from Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W/ E300004) to the effect that their appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Act and that they are not disqualified for the appointment.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 for the appointment of Messrs S R B C & Co LLP, Chartered Accountants, Chennai as the Statutory Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

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, 2019 on a remuneration of Rs. 2,40,000/- plus applicable Service Tax and reimbursement of out-of-pocket expenses.

Accordingly, 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, 2019.

The Board commends the Resolution for approval of the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

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.

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

Priya Iyer
Company Secretary

Place: Mumbai
Date: August 20, 2018

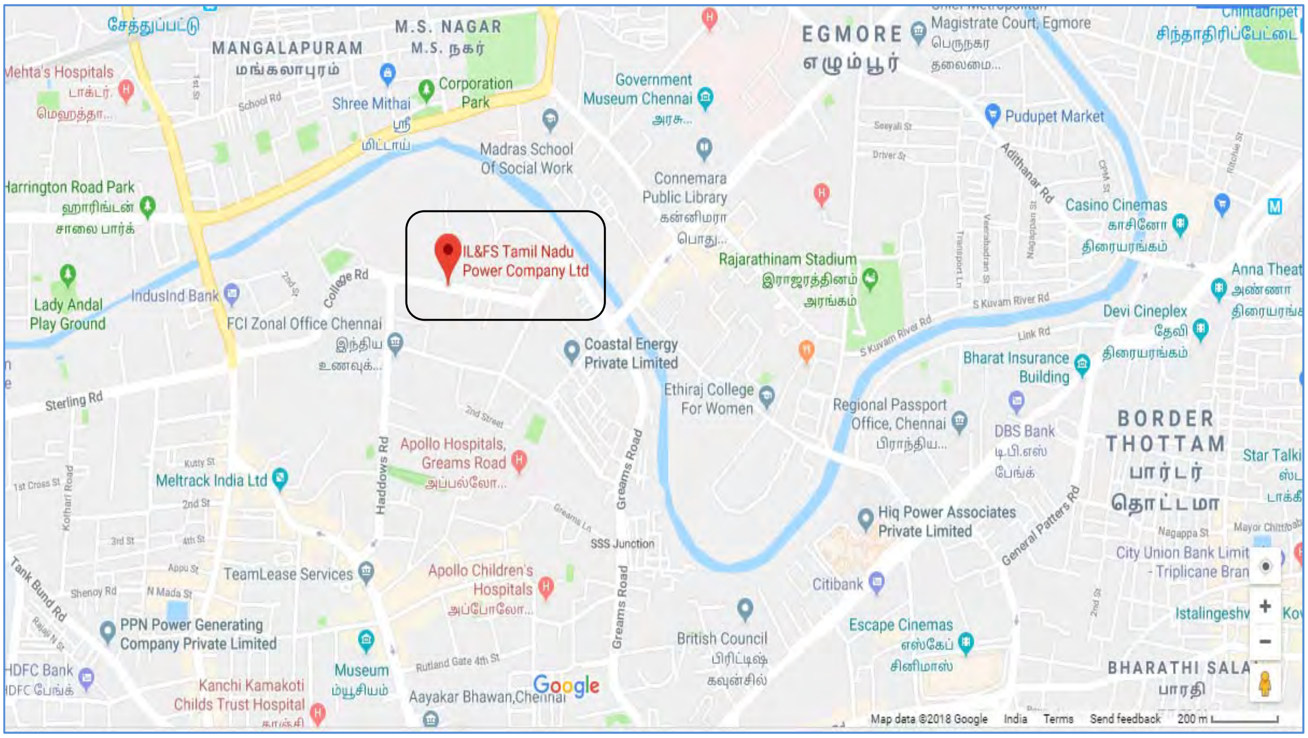
PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Name	Maharudra M Wagle
DIN	02115124
Age	54
Qualifications	Mr. Maharudra Wagle holds Bachelor's Degree in Commerce from Mumbai University and Associate Member of the Institute of Chartered Accountants of India (ICAI)
Experience	Mr. Maharudra Wagle is Group Chief Financial Officer, Infrastructure Leasing & Financial Services Limited (IL&FS), with a tremendous and rich experience of more than 27 years in Industry which includes 19 years in Financial Services Sector. He is associated with IL&FS since 25 years. Prior to IL&FS, he was associated with Boots Pharmaceuticals Limited (a MNC). He has been handling Accounts/ Tax/MIS/ Banking/ Secretarial / Internal Audit at ILFS and also looking after Group Company Accounts and Group issues in Tax, Funding of Group etc.
Terms and conditions of appointment or re-appointment	Re-appointment as a Non-Executive Director liable to retire by rotation.
Date of first appointment on the Board	19.05.2017
Shareholding in the company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
The number of Meetings of the Board attended during the year	3 out of 4
Other Directorships	1. IL&FS Maritime Infrastructure Company Limited 2. IL&FS Water Limited 3. Avash Logistic Park Private Limited 4. Tamil Nadu Water Investment Company Limited
Membership/Chairmanship of Committees of other Boards*	Member of Audit Committee of IL&FS Maritime Infrastructure Company Limited

*Membership/Chairmanship of Committees of other Boards excludes Committees other than Audit Committee and Stakeholder Relationship Committee

Annexure A

Route map to the venue of the 12th Annual General Meeting:



Board's Report

Dear Members,

The Board of Directors hereby presents the Twelfth 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, 2018.

1. Financial Highlights

(₹ in million)

Particulars	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Income from operations	28,909	23,168	28,909	23,168
Other Income	2,008	1,492	1,495	1,160
Total Income	**30,917**	**24,661**	**30,404**	**24,328**
Expenses	20,782	14,603	20,820	14,655
Profit / (Loss) before Interest & Depreciation	**10,135**	**10,058**	**9,584**	**9,673**
Interest	9,710	6,187	9,618	6,103
Depreciation	2,805	1,959	2,805	1,959
Profit / (Loss) before Tax	**(2,380)**	**1,912**	**(2,839)**	**1,612**
Income Tax Expense/(Benefit)	-	450	-	450
Profit / (Loss) after Tax	**(2,380)**	**1,462**	**(2,839)**	**1,162**

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, 2018 in view of losses.

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

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

6. Investments in Direct Subsidiaries

During the year under review, the Company invested an aggregate of Rs.25,653,400 as equity in its Wholly owned Subsidiary viz., ILFS Maritime Offshore Pte Ltd.

7. Number of meetings of the Board

The Board met four times in financial year 2017-18 viz., on June 20, 2017, September 4, 2017, December 20, 2017 and February 20, 2018. The maximum interval between any two meetings did not exceed 120 days.

8. Directors and Key Managerial Personnel

A. Change in Composition of the Board:

Resignations:

a) Mr Sunil Wadhwa resigned from the Board with effect from April 4, 2017

b) Mr. Anoop Seth resigned from the Board with effect from August 28, 2017

c) Mr. Shyam Lal Bansal resigned from the Board with effect from May 19, 2018

The Board placed on record its appreciation for valuable advice provided by the outgoing Directors during their tenure as Directors of the Company

Appointments:

a) Mr. Maharudra M Wagle was appointed as an Additional Director w.e.f. May 19, 2017. His appointment as a Non-Executive Director of the Company was approved by the shareholders in the Annual General Meeting held on September 27, 2017

b) Mr. Ashwani G Kumar was appointed as an Additional Director w.e.f. September 4, 2017. His appointment as a Non-Executive Director of the Company was approved by the shareholders in the Annual

General Meeting held on September 27, 2017

B. Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Maharudra M Wagle retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

C. Key Managerial Personnel:

Changes in Key Managerial Personnel:

a) Ms. Priya Iyer has been appointed as a Company Secretary of the Company with effect from February 20, 2018

b) Ms. K Suganyaa resigned from the position of Company Secretary with effect from February 28, 2018.

Key Managerial Personnel as on March 31, 2018:

1. Mr. M S Srinivasan, Chairman & Whole-time Director
2. Mr. N Ramesh, Chief Executive Officer
3. Mr. N K Balaji, Chief Financial Officer
4. Ms. Priya Iyer, Company Secretary

D. Independent Directors

As per the provisions of the Companies Act, 2013 ("the Act"), Independent Directors have been appointed for a period of five years and are not be liable to retire by rotation. The Independent Directors of the Company have submitted a declaration under Section 149(7) of the Act that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

9. Committees of the Board

The Company's Board has formed the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Risk Management Committee
5. Committee of Directors
6. Related Party Transactions Review Committee

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.

10. 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.

11. Directors' Responsibility statement

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

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

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

c. 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;

d. The annual accounts have been prepared on a going concern basis;

e. 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

f. 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.

12. AUDITORS :

a. Statutory Auditors

At the Annual General Meeting held on September 29, 2014, Messrs Deloitte Haskins & Sells, (Firm Registration No. 008072S), Chartered Accountants, Chennai, were appointed as the statutory auditors of the Company to hold office till the conclusion of the 13th Annual General Meeting to be held in the year 2019.

However, in accordance with the IL&FS Group policy the Company proposes to appoint Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W / E300004) as Statutory Auditors of the Company. At the request of the Company Messrs Deloitte Haskins & Sells have agreed to resign as the statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board of Directors have approved the appointment of Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI

Registration No.101049W / E300004) as the statutory auditors of the Company for a period of 5 years to hold office from the conclusion of ensuing Annual General Meeting 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, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Company has received confirmation from Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No. 101049W/ E300004) to the effect that their appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Act and that they are not disqualified for the appointment.

Auditor's report for the Financial Year ended March 31, 2018

There are no qualifications, reservations or adverse remarks made by Messrs Deloitte Haskins & Sells, Statutory Auditors in their report for the Financial Year ended March 31, 2018. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

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 2017-18.

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

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 12th 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, 2018. The Secretarial Audit report for the financial year March 31, 2018 in Form No. MR-3 is attached as **Annexure III** to the Annual Report. 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 IV** 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 on 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:-

As the business is Power generation, the Company had been constantly working on saving auxiliary consumption.

The following steps were taken for Energy Conservation to reduce energy Consumption:

- HFO pump

In HFO pump house, three HFO forwarding pumps are available for both units, of which 1 pump is being operated continuously to feed HFO for recirculation to both the boilers when unit is in running condition.

At present, HFO system has been modified with HSD system. So no HFO pump is being operated.

Station Auxiliary Power Consumption saving due to non-usage of HFO forwarding pump was 253Mwh/year (i.e. 0.253MU/year) which resulted in savings of approximately Rs. 8.36 Lakhs in FY 2017-18.

- Steam heating for HFO

HFO fuel oil was used in Boiler for unit startup and emergency conditions. Since HFO is not being used, steam heating of HFO is not required.

Savings in Coal consumption due to the above is 2028 Ton/year.

- Service water Pump

In Comprehensive pump house, two Service Water Pumps are available of which 1 pump is always in service and the other is kept on standby. Out of the two APH wash pumps one is kept in service and the other is kept on standby condition.

APH wash pump was being operated for meeting the water requirements of FGD. Similarly, for meeting the service water requirements, the service water pump is being operated separately. In order to save on the aux. power consumption, service water pump usage has been reduced and APH wash water pump is being used for also meeting the service water requirement.

Station Auxiliary Power Consumption saving due to stoppage of Service Water Pump was 286 Mwh/year (i.e .0.286MU/year) which resulted in savings of approximately Rs. 9.44 Lakhs in FY 2017-18.

- FGD Compressor usage

For operation of the FGD , two instrument air compressor was operated continuously.
In order to save on the aux. power consumption, , both the compressors are not being operated and instrument air line was charged from main plant compressor by erection of an interconnection line. Only for the purpose of soot blowing of the GGH, the FGD compressor are being used

Station Auxiliary Power Consumption savings due to stoppage of FGD compressor was 646.53Mwh/year (i.e. 0.646MU/year) which resulted in saving of approximately Rs. 21.33 Lakhs in FY 2017-18.

- Main Plant Instrument Air Compressor

For both units three Instrument air Compressor have been provided of which two air Compressors are kept in service when both units are operating.
When both the units are shutdown, only one instrument air compressor is to be kept in service and the other are on standby. Since cooling water is required for operation of the Main plant

instrument air compressor, all the instrument air compressors are stopped and FGD compressors are taken into service.

Station Auxiliary Power Consumption savings due to stoppage of Main Plant Instrument air compressor was 50.97Mwh/year (i.e. 0.509MU/year) which resulted in savings of approximately Rs. 1.68 Lakhs in FY 2017-18.

- Cooling Tower Induced draft fan blade replacement

For each of the units, 17 Nos. of Cooling Tower Induced Draft fans are available of which 16 are kept in service and one on standby during full load operation. In one Cooling Tower Induced Draft fans, energy efficient blades have been replaced on trial basis.

As a result of replacement of the blades, the savings in Auxiliary Power Consumption was 1397 Mwh/year (i.e. 1.397 MU/year) which resulted in savings of approximately Rs. 46.12 Lakhs in FY 2017-18.

- FGD Mist eliminator

In FGD, three Mist eliminator wash pumps are available for both units of FGD, of which 1 pump is being operated for each unit and 1 pump is kept on standby. When the FGD is being operated, mist eliminator was in service for 24 hrs.

The same has been reduced to 4 hours of operation which has resulted in savings in the Auxiliary Power Consumption by 457.5Mwh/year (i.e. 0.457MU/year) which resulted in savings of approximately Rs. 15.09 Lakhs in FY 2017-18.

- Energy saving in Lights

I. Replacement of Fluorescent Lighting:

1. 2ft Lamps

There are 2ft Fluorescent lighting available in all office rooms across different areas inside the plant. Each fitting has 4 lights of 18W each and consumes 72W of power. These lights have been replaced with 9W LED lights. Upon fixing 4 lights of 9W in each fitting it is felt that the lux levels are high and the number of lights in each fixture has subsequently been reduced to 3 Nos. Power consumption of each fitting is now reduced to 27W instead of 72W.

The modification is carried out in Service building and DCS EER rooms. Total energy saving per day due to this modification is **166 units or 60824 units per year**

2. 4ft Lights:

All switchgear rooms and few equipment rooms are fitted with 2x4ft fluorescent lights with each fixture consuming 74 W. These lights are rated with 36W each. Each fitting is now replaced with 1x 20W

LED lights instead of 2 x 36W fluorescent lights, thus saving 54W from each fixture.

This modification resulted in per day energy saving to **349 units and 127525 Units on yearly basis.**

3. Segregation of Lighting Switching Circuits

Upon replacement of 4ft LED lights, it is observed that the LUX levels in those particular areas have increased considerably and also these areas are having lesser people movement. Hence, each room lighting circuits are divided into two or more with a switch to each circuit. With this modification, only few lights would be ON for 24 hours and other lights will be switched ON based on requirement. These modifications have resulted in savings in energy of **14056 Units per year.**

II. Replacement HPSV 150W Street lights with LED

All plant Street lights are provided with 150W HPSV lamps and each street lights consumes a power of 158W. These lights are replaced with 72W LED fittings. Most of the Street lights are replaced with LED fittings. Energy saving achieved per day is **309.6 Units and per year is 113004 units.**

(ii) 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 and meeting the power requirement of service building and stores building.

(iii) the capital investment on energy conservation equipments

Invested Rs 20 Lakhs towards changing 500 Nos of streetlight inside pant to LED lighting from conventional Sodium vapour lamp with a calculated payback of 3 Years Approx.

B. Technology Absorption:

(i) the efforts made towards technology absorption;

- Planned to convert all the conventional lighting system (HPSV,Metal halide) in a phased manner before 2020 to LED technology. Models and type of LED fitting suitable for retrofitting has been worked out.
- Planned to expand roof top solar to 1 MW in 2018-2019.
- Cooling tower blades MOC changed from HDP to light weight Fiber blade (1 out of 34 changed) and the same is under observation.
- Portable Panel mount AC has been used in Electronic panels

for Energy conservation (2 panels are in operation and is kept under observation.)

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

- Firing card of ESP which costs around Rs 2.5 lakh from OEM has been developed locally for Rs 10000. The same has been put in to service and performance has been good.
- Burner tilt power cylinder which costs Rs 25 Lakh from OEM has been developed in India for Rs 2 lakh.
- SADC Power cylinder which costs Rs 2 Lakh from OEM has been developed in India for Rs 70000.
- Bunker Air cannon solenoid valve which costs Rs 48000 from OEM has been developed in India for Rs 10000

C. Foreign Exchange Earnings and Outgo:

a	Foreign Exchange earnings	₹ 393.18 Million
b	Foreign Exchange outgo	₹ 23,509.73 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 V** 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 under review, there was no change in the share capital. The paid-up share capital as at March 31, 2018 was Rs. 175,96,97,650/- comprising of 175969765 equity shares of Rs. 10/- each.

23. 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, 2018 the total outstanding value of Non-convertible Debentures was Rs. 500 Crores and Fully Compulsorily Convertible Debentures was Rs. 740 Crores.

24. Board evaluation

Pursuant to the provisions of Section 134(3) (p), 149(8) and Schedule IV of the Companies Act, 2013, annual performance evaluation of the Board, the Individual Directors as well as the Board Committees have been carried out.

Nomination and Remuneration Committee (NRC), at its meeting held on August 20, 2018, carried out the evaluation of performance of all the Directors including the Chairman of the Company, Independent Directors and the Board as a whole and made its recommendations to the Board.

The Independent Directors, at their meeting held on February 20, 2018 evaluated the performance of other Non-Independent Directors including the Chairman and the Board as a whole.

The Board at its meeting held on August 20, 2018, evaluated the performance of all the Directors, Chairman, Independent Directors and Board Committees and also considered the recommendations made by NRC and Independent Directors.

The overall feedback was positive with the Directors recognizing that the performance of the Board, individual Directors and its various committees was effective.

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.

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, 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.

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, will be provided on request. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the aforementioned particulars of employees, which is available for inspection by the Members at the Registered Office of the Company during business hours on any working day. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

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

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure VI** to the Board's report

31. Statutory Disclosures

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act

32. 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

M.S. Srinivasan
Chairman

Place: Mumbai
Date: August 20, 2018

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 to March	April to March	April to March	April to March	April to March
2	Reporting Currency and Exchange rate as on March 31, 2018	USD 65.0441	USD 65.0441	USD 65.0441	IDR 0.00486	IDR 0.00486
3	Share Capital	2,011,976,393	1,108,797	451,400	997,978,787	Refer Note (e)
4	Reserves & Surplus	(3,506,002,908)	(15,641,606)	210,234,771	(518,117,130)	Refer Note (e)
5	Total Assets	4,525,496,920	8,970,332	211,393,325	1,332,326,146	Refer Note (e)
6	Total Liabilities	6,019,523,435	23,503,141	707,154	852,464,489	Refer Note (e)
7	Investments	4,041,684,856	8,896,728	-	-	Refer Note (e)
8	Turnover (including other income)	8,973,269	-	-	-	Refer Note (e)
9	Profit/(Loss) before taxation	(282,043,827)	(707,100)	(96,671)	(62,593,063)	Refer Note (e)
10	Provision for Taxation	-	-	-	-	Refer Note (e)
11	Profit/(Loss) after Taxation	(282,043,827)	(707,100)	(96,671)	(62,593,063)	Refer Note (e)
12	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
13	% 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 share holding of the Subsidiary*
b. *IL&FS Offshore Natural Resources Pte Ltd is a Wholly owned Subsidiary of ILFS Maritime Offshore Pte Ltd*
c. *Se7en Factor Corporation is a Wholly Owned Subsidiary of ILFS Maritime Offshore Pte Ltd*
d. *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*
e. *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 as Standalone numbers are not available*
f. *None of the subsidiaries of the Company have commenced operations*
g. *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**	31.03.2018
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
	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	**Networth 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:-

a) *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)*

b) *Cuddalore Solar Power Private Limited is yet to commence operations*

c) *None of the associates or joint ventures have been liquidated or sold during the year*

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN: 02115124

Ashwani Kumar
Director
DIN: 00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

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 :

(a) Remuneration for Whole-time, Non-Executive Directors, Key Management Personnel and Senior Management
(b) Role of the Nomination and Remuneration Committee
(c) Disclosures in the Directors' Report

V. Objective:

(1) 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

(2) While deciding remuneration for the Whole-time Directors' various factors such as the market scenario, business performance of ITPCL are considered

(3) Rationale for Remuneration Framework :

(a) 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

(b) 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	• Reflects the Directors' experience, criticality of the role with the Group and the risk factor involved	• 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	• Based totally on the performance of the Director	• 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	• Provide for sustained contribution	• 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

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.

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.

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
(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

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

(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

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

AASHISH KUMAR JAIN & ASSOCIATES
COMPANY SECRETARIES

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FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2018

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

To,
The Members,
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 TN 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** (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2018 according to the provisions of:

I. The Companies Act, 2013 (**the Act**) and the Rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under; - **NA**

III. The Depositories Act, 1996 and the Regulations thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. Few Other applicable laws namely:

a. Environmental Laws;
b. Electricity Act, 2003
c. Boilers Act, 1923

VI. Secretarial Standards issued by The Institute of Company Secretaries of India

Aashish Kumar Jain & Associates
Company Secretaries

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During the period under review, the company has complied with the provisions of the act, rules, regulation, guidelines, standards, etc., mentioned above.

We further report that the Board of Directors of the company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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, processes and control mechanism exist in the company to monitor and ensure compliance with applicable laws.

Place: Chennai
Date: 17/08/2018

For Aashish Kumar Jain & Associates
Company Secretary in Practice

Aashish Kumar Jain
Proprietor
C.P.No.7353

AASHISH KUMAR JAIN & ASSOCIATES
COMPANY SECRETARIES

No 164, Linghi Chetty Street
2nd Floor, Singapore Plaza
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ANNEXURE TO SECRETRIAL AUDIT REPORT

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

1. Maintenance of secretarial records, devised proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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.

3. We have not verified the correctness and appropriate of financial records and books of accounts of the company.

4. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.,

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

Place: Chennai
Date: 17/08/2018

For Aashish Kumar Jain & Associates
Company Secretary in Practice

Aashish Kumar Jain
Proprietor
C.P.No.7353

ANNEXURE IV

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, 2018, 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 Energy Development Company Limited (Holding Company)	Till the end of PPA with TNEB	Trading Advisory Fee	1.25% of the tariff on the entire energy sold under PPA	11.03.2015	

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
		Till March 31, 2018	Sale of Power	Trading of upto 350 MW RTC Power (00:00 to 24:00 hrs) and upto 200 MW Peak Power (18:00 to 23:00 hrs) from Unit 2 of ITPCL Value: Trading Margin of 2 paise/unit if tariff <= 3 rupees 5 paise/unit if tariff > 3 rupees (it includes 1 paise per unit payable to NVVL)		
2	IL&FS Financial Services Limited (Fellow Subsidiary)	1 Year	Advisory services to structure the existing term debt under 5:25 Scheme of RBI	Advisory fee of ₹225 mn		
3	Infrastructure Leasing &Financial Services Limited (Ultimate Holding Company)	Till June 10, 2020	Office space on rent and maintenance	Maintenance cost Appx ₹ 0.96 mn p.a		
		On requirement basis	Cost recovery towards time spent by IL&FS personnel on ITPCL related work	Depends upon time spent (Appx ₹ 1 mn pa)		

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
		On going Contract	Opening of Documentary Irrevocable inland/ Foreign Letters(ILC/FLC) of credit out of ILFS Limits	Value Upto ₹ 150 Crores.Fee @ 2.40% per annum.		
4	IL&FS Maritime Infrastructure Company Limited (Fellow Subsidiary)	Till July 01, 2025	Terminal Handling Charges	₹ 363/- Per MT of coal handled		
		Till September 15, 2018	Rental Income	₹ 0.077 million per month		
5	Porto Novo Maritime Limited (Fellow Subsidiary)	Till September 15, 2018	Rental Income	₹ 0.033 million per month		
6	IL&FS Environmental Infrastructure Services Limited (Fellow Subsidiary)	Till April 30, 2019	Rental Income	₹ 0.106 million per month		
7	ISSL Settlement & Transaction Services Ltd (Fellow Subsidiary)	Till June 2017	IT Related services	₹ 0.89 million per quarter towards SAP server Maintenance and 0.40 million per annum towards Mail server maintenance		
8	Livia India Limited (Fellow Subsidiary)	Till June 2018	IT Related services	₹ 2.94 million per Annum		
9	IL & FS Technologies Limited (Fellow Subsidiary)	Ongoing Contract	IT Related services	₹ 0.30 million per annum		

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
10	Saurya Ujra Company Rajasthan Limited (Fellow Subsidiary)	Till July 31, 2017	Recovery of Deployment Cost	₹ 5.00 million per annum approx		

By Order of the Board of Directors

M.S. Srinivasan
Chairman

Place: Mumbai
Date: August 20, 2018

Annexure V

Format of reporting of Corporate Social Responsibility (CSR)

[P*ursuant to clause (o) of Sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]*

1. CSR Policy:

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:

The current members of the CSR Committee of the Board are:

a. Mr. Ramesh Bawa;
b. Mr. Sandeep H Junnarkar; and
c. Ms. Jayantika Dave

Mr. M S Srinivasan, Chairman and Mr. Alok Bhargava are permanent invitees to the Committee.

3. Average Net Profit of the Company for the last 3 financial years (as per Section 198 of the Companies Act, 2013)

Year	Profit / (Loss) (in Crores)
FY 2014-15	5.82
FY 2015-16	221.88
FY 2016-17	191.25

Average net profit for the last 3 years is Rs.139.65 Crores

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):

Rs. 2.79 Crores

5. Details of the CSR spend during the Financial Year:

(a) Total amount spent for the Financial Year – Rs. 4.25 Crores
(b) Amount unspent if any – Not applicable
(c) Manner in which the amount spent during the financial year is detailed below:

Details of the CSR spent during the Financial Year 2017-18:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Project or Programs (1) Local area or other (2) specify the state and district where projects or program was undertaken**	**Amount Outlay (budget) Project or Programs wise (Rs. in Crores)**	**Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects / programs**	**Cumulative expenditure upto the reporting period (Rs. in Crores)**	**Amount spent : Direct or through implementing agency**
1	Enhance the quality of education and skills required for Job market	Education	Parangipettai Block, Cuddalore District, Tamil Nadu	0.25	Project & Program	0.22	Implementing agency
2	Fishermen Welfare and Development of other infrastructure	Livelihood and Rural Development	Parangipettai Block, Cuddalore District, Tamil Nadu	2.25	Direct	2.25	Direct
3	Health Care	Health	Parangipettai Block, Cuddalore District, Tamil Nadu	1.00	Project & Direct	1.00	Implementing agency
5	Water and Livelihood Initiatives	Water and Livelihood	Parangipettai Block, Cuddalore District, Tamil Nadu	0.50	Project	0.28	Implementing agency
6	Contribution to Nalanda Foundation	Donation for carrying out CSR activities covering the surrounding villages	Parangipettai Block, Cuddalore District, Tamil Nadu	0.00	Donation	0.50	Implementing agency
	Total			**4.00**		**4.25**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board's report – Not applicable

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

   Responsibility statement:

   The responsibility statement of the CSR Committee of the Board of Directors of the Company is as stated below:

   "The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with the CSR objectives and Policy of the Company."

M S Srinivasan	**Sandeep Junnarkar**
Chairman	**Chairman of the CSR Committee**

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 VI

Form No. MGT – 9
Extract of Annual Return
as on the Financial Year ended on March 31, 2018

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

I. Registration and other details:

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	4th Floor, Old No. 21, New No. 2, 1st Street, Subba Rao Avenue, College Road, Chennai 600 006 Tel No: 044 - 30725550 Website: 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	99.89

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, 2016	Applicable section
1	IL&FS Energy Development Company Limited	India	U40300DL2007PLC163679	Holding	91.38%	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	160797503	6	160797509	91.38	160797503	6	160797509	91.38	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
(2)Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**160797503**	**6**	**160797509**	**91.38**	**160797503**	**6**	**160797509**	**91.38**	**-**
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	8.62	15172256	0	15172256	8.62	-
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**	**8.62**	**15172256**	**0**	**15172256**	**8.62**	**-**
Total public shareholding									
(B) = (B)(1) + (B)(2)	**15172256**	**0**	**15172256**	**8.62**	**15172256**	**0**	**15172256**	**8.62**	**-**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A)+(B)+(C)	**175969759**	**6**	**175969765**	**100.00**	**175969759**	**6**	**175969765**	**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]	91.38	0	160797509[2]	91.38	0	-
	Total	**160797509**	**91.38**	**0**	**160797509**	**91.38**	**0**	**-**

[1]includes 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

[2]includes 6 equity shares held jointly with Mr. N Ramesh, Mr. Akhil Agarwal, Mr. Haziq Beg, Mr. N K Balaji, Ms. K Suganyaa 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	91.38		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	160797509	91.38
At the end of the year			**160797509**	**91.38**

Note:

1 (one) equity share held jointly by 'IEDCL and Ms K Suganyaa' was transferred to 'IEDCL and Ms Priya Iyer'

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

S.No		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	8.62		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	15172256	8.62
	At the end of the year (or on the date of separation, if separated during the year)			15172256	8.62

v) Shareholding of Directors and Key Managerial Personnel

S.No		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. MS Srinivasan				
	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. Ramesh C Bawa				
	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				
	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				
	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	Mr. S L Bansal				
	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. Sandeep Junnarkar				
	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	Ms. Jayantika Dave				
	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. N Ramesh (jointly with IL&FS Energy Development Co Ltd)				
	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

9	Mr. N K Balaji (jointly with IL&FS Energy Development Co Ltd)				
	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
10	Ms. K Suganyaa (jointly with IL&FS Energy Development Co Ltd)				
	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.): a) Decrease in shareholding due to transfer of shares on 20.02.2018	(1)	(0.00)	0	0.00
	At the end of the year			0	0.00
11	Ms. Priya Iyer (jointly with IL&FS Energy Development Co Ltd) (Appointed as Company Secretary w.e.f. 20.02.2018)				
	At the beginning of the year	0	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.): a) Acquired shares on 20.02.2018	1	0.00	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.)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial Year				
a) Principal Amount	**64,282,387,497**	**4,837,053,006**	**-**	**69,119,440,503**
b) Interest due but not paid	-	-	-	-
c) Interest accrued but not due	50,595,620	17,568,172	-	68,163,792
Total (a)+(b)+(c)	**64,332,983,117**	**4,854,621,178**	**-**	**69,187,604,295**
Change in indebtedness during the Financial Year				
Principal Amount:				
- Addition	4,808,075,849	1,898,475,559	-	6,706,551,408
- Reduction	1,965,787,319	304,583,953	-	2,270,371,272
Net change	**2,842,288,530**	**1,593,891,606**	**-**	**4,436,180,136**
Indebtedness at the end of the Financial Year				
a) Principal Amount	67,124,676,027	6,430,944,612	-	73,555,620,639
b) Interest due but not paid	-	-	-	-
c) Interest accrued but not due	45,666,239	835,449,442	-	881,115,681
Total (a)+(b)+(c)	**67,170,342,266**	**7,266,394,054**	**-**	**74,436,736,320**

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 / WTD / Manager** Mr. M S Srinivasan, Chairman & WTD	**Total Amount**
1	Gross salary		
	(a) Salary as per provisions in Section 17(1) of the Income Tax Act, 1961	1,53,89,702	1,53,89,702
	(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)	3,00,000	3,00,000
	Total (A)	**1,56,89,702**	**1,56,89,702**
	Ceiling as per the Act		

B. Remuneration to other Directors:

(Rs.)

S.No	Particulars of remuneration	Name of Directors					Total amount
1	Independent Directors	Sandeep H Junnarkar	Shyam Lal Bansal	Jayantika Dave	-	-	
	- Fee for attending Board, Committee Meetings	650,000	600,000	600,000	-	-	1,850,000
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
							-
	Total (1)	650,000	600,000	600,000		-	1,850,000
	Other non-executive Directors	Anoop Seth[1]	Sunil Wadhwa[2]	Ramesh C Bawa	Maharudra M Wagle[3]	Ashwani Kumar[4]	
	- Fee for attending board meetings	150,000	-	750,000	350,000	250,000	1,500,000
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	Total (2)	150,000	-	750,000	350,000	250,000	1,500,000
	Total (B) = (1)+(2)						3,350,000
	Total managerial remuneration						
	Overall ceiling as per the Act						

[1]Resigned w.e.f April 4, 2017
[2]Resigned w.e.f August 28, 2017
[3]Appointed w.e.f. May 19, 2017
[4]Appointed w.e.f. September 4, 2017

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. K Suganyaa, Company Secretary[1]	Ms. Priya Iyer, Company Secretary[2]	Total amount
1	Gross salary					
	(a) Salary as per provisions in Section 17(1) of the Income Tax Act, 1961	16,442,913	7,724,820	984,640	85,695	25,238,068
	(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	**16,442,913**	**7,724,820**	**984,640**	**85,695**	**25,238,068**

[1]Resigned w.e.f. February 28, 2018
[2]Appointed w.e.f. February 20, 2018

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018

By Order of the Board of Directors

M.S. Srinivasan
Chairman

Place: Mumbai
Date: August 20, 2018

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.

The Company has complied with the Corporate Governance requirements as prescribed under the Companies Act 2013.

Composition of the Board:

The Board of Directors has an ideal combination of Executive and Non-Executive Directors. As of March 31, 2018, the Board consisted of 7 (seven) Directors comprising one Executive Director, three Non-Executive Directors and three Independent Directors including one Woman Director.

Meetings of the Board:

During the Financial Year 2017-18, the Board of Directors met 4 times on the following dates viz., June 20, 2017, September 4, 2017, December 20, 2017 and February 20, 2018

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during FY 2017-18 along with the number of directorships held by them in other Companies as on March 31, 2018 are given below:

SN	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. M.S. Srinivasan	Executive Director	4	4	Yes	3
2	Mr. Anoop Seth*	Non-Executive Director	1	1	NA	NA
3	Mr. Ramesh C. Bawa	Non-Executive Director	4	4	Yes	8
4	Mr. Sandeep H. Junnarkar	Non-Executive Independent Director	4	4	No	3
5	Mr. Sunil Wadhwa@	Non-Executive Director	0	NA	NA	NA
6	Mr. Shyam Lal Bansal	Non-Executive Independent Director	4	4	No	3
7	Ms. Jayantika Dave	Non-Executive Independent Director	4	4	No	2
8	Mr. Maharudra Wagle	Non-Executive Director	4	3	No	4
9	Mr. Ashwani Kumar	Non-Executive Director	3	3	No	7

@ Resigned w.e.f April 4, 2017

* Resigned w.e.f August 28, 2017

Excludes Directorship in Foreign Companies

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on February 20, 2018 to review the performance of the Non-independent Directors (including Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform their duties.

Committees of the Board:

Various committees of the Board have been constituted to assist the Board in discharging its responsibilities. There are six committees constituted by the Board – the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Committee of Directors and Related Party Transactions Review Committee. 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

The Board of Directors has constituted Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013.

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.

Composition:

As on April 1, 2017 the following directors were member of the Audit Committee viz., Mr.Sunil Wadhwa, Mr. Ramesh C Bawa. The Audit Committee was reconstituted on May 2, 2017 to comprise Mr. Sandeep Junnarkar, Mr. Shyam Lal Bansal, Mr. Ramesh C Bawa, Mr. Maharudra Wagle and Ms. Jayantika Dave.

Meetings:

Four Audit Committee meetings were held during the year on the following dates viz., June 20, 2017, September

4, 2017, December 20, 2017 and February 20, 2018.

The details of the meetings attended by the members of the Committee during Financial Year 2017-18 was as under:

S No	Name of the Member	No of meetings	
		entitled to attend	attended
1	Mr. Sandeep H Junnarkar	4	4
2	Mr. Ramesh C Bawa	4	4
3	Mr. Shyam Lal Bansal	4	4
4	Ms. Jayantika Dave	4	4
5	Mr. Maharudra M Wagle	4	3

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

The Board of Directors has constituted Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013.

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.

Composition:

As on April 1, 2017 the Nomination & Remuneration Committee comprised Mr. Sunil Wadhwa, Mr. Sandeep H. Junnarkar and Ms. Jayantika Dave. The Committee was reconstituted on May 2, 2017 to comprise Mr. Ramesh C Bawa, Mr. Sandeep H. Junnarkar and Ms. Jayantika Dave.

Meetings:

Two Nomination & Remuneration Committee meetings were held during the year on the following dates viz., June 5, 2017 and September 4, 2017.

The details of the meetings attended by the members of the Committee during Financial Year 2017-18 was as under:

S No	Name of the Member	No of meetings	
		Entitled to attend	Attended
1	Mr. Ramesh C Bawa	2	2
2	Mr. Sandeep H. Junnarkar	2	2
3	Ms. Jayantika Dave	2	1

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 comprising Mr. Ramesh C Bawa, Mr. Sandeep H Junnarkar and Ms. Jayantika Dave as members.

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 June 20, 2017 and all the members were present.

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2018 is attached as **Annexure V** to the Board's Report.

D. Risk Management Committee

The Board of Directors has 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.

As on March 31, 2018 the Risk Management Committee comprised of Mr. M S Srinivasan, Mr. Ashwani Kumar and Mr. Shyam Lal Bansal.

During the Financial Year 2017-18 the Committee met twice on September 4, 2017 and February 20, 2018 and all the Members were present.

E. Committee of Directors

The Board of Directors has also constituted a Committee of Directors (CoD). As on April 1, 2017 the Committee comprised Mr. Ramesh C Bawa, Mr. Anoop Seth and Mr. Sunil Wadhwa, Directors of the Company. The Committee was reconstituted twice during the Financial Year 2017-18 on May 2, 2017 and September 4, 2017.

As on March 31, 2018 the Committee comprised Mr. Ramesh C Bawa, Mr. Maharudra Wagle and Mr. Ashwani Kumar, Directors of the Company.

The Committee of Directors met 3 times during the Financial Year 2017-18. The attendance of the Committee members was as under:

S No	Name of the Director	No of meetings	
		Entitled to attend	Attended
1	Mr. Sunil Wadhwa#	0	0
2	Mr. Anoop Seth*	2	1
3	Mr. Ramesh C Bawa	3	3
4	Mr. Maharudra Wagle	2	1
5	Mr. Ashwani Kumar	1	1

Resigned w.e.f April 4, 2017
* Resigned w.e.f August 28, 2017

The Committee of Directors is authorized to do the following:

a) Supervise the operations of the Company in the ordinary conduct of business and to exercise all such powers and to do all such acts and deeds, for and on behalf of the Board of Directors in terms of and subject always to the provisions of Section 179 and other applicable provisions of the Companies Act, 2013

b) Approve incremental credit/investments and exercise borrowing powers as per the following prescribed limits:

c) Incremental credit/investment proposals of up to Rs. 5000 Million, subject to the provisions of Section 180 and 186 of the Companies Act, 2013

d) Borrowing of funds and creation of charges or mortgages and hypothecation of movable and immovable properties of the Company subject to such limits as may be approved by the Members of the Company in terms of Section 180 of the Companies Act, 2013

e) Deal with all the matters connected with allotment, transfer, dematerialization, rematerialisation of securities, issue of share certificates and other related matters

F. Related Party Transactions *Review Committee*

The Board constituted Related Party Transactions Review Committee on June 20, 2017 comprising Mr. M S Srinivasan and Mr. Anoop Seth, Directors. The Committee was reconstituted on September 4, 2017 to comprise Mr. M S Srinivasan and Mr. Ashwani Kumar.

The Related Party Transactions Review Committee is authorized to review and approve:

- Exempt RPTs of any amount with Wholly Owned Subsidiary (ies) of the Company;
- Exempt RPTs comprising of value less than Rs 10 million per transaction with any other Related Party

Other Committees:

A. *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.

B. *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.

Details of Remuneration paid to Executive & Non-Executive Directors during 2017-18

These details are provided in **Annexure VI**, the extract of the Annual Return, annexed to the Directors' Report in Form MGT – 9 as required under the provisions of Section 92 of the Companies Act, 2013

Stock Options to Executive Directors

No Stock options have been granted to any of the Executive Directors during the Financial Year 2017-18

Subsidiaries

The Company has five subsidiaries as at the financial year ended 31st March 2018 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 Se7en Factor Corporation (SFC).

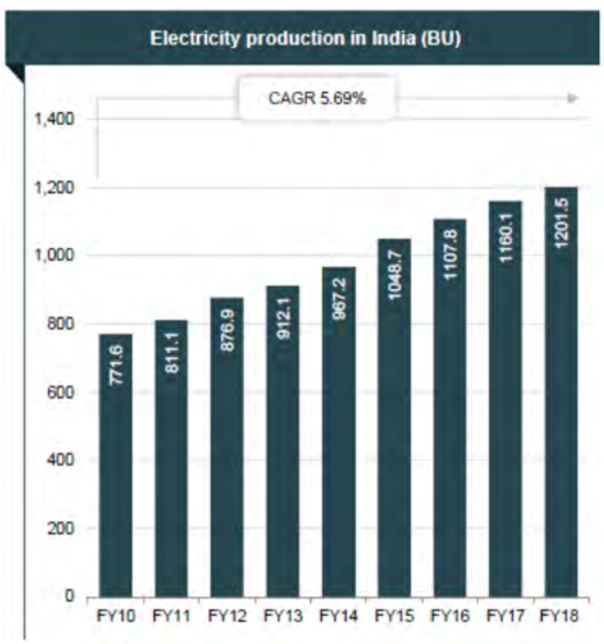
The Consolidated financial statement prepared in accordance with "Ind AS" is made part of the Annual Report. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2018 is included in the annual report. The audited annual accounts and related 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.

Management Discussion and Analysis Report

A. Industry Overview

India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 343.89 GW as of June 2018. The country also has the fifth largest installed capacity in the world. Electricity generation in India increased to 1,201.54 billion units in FY18 from 1,160.10 billion units in FY17, recording a growth of 3.57% year-on-year basis.

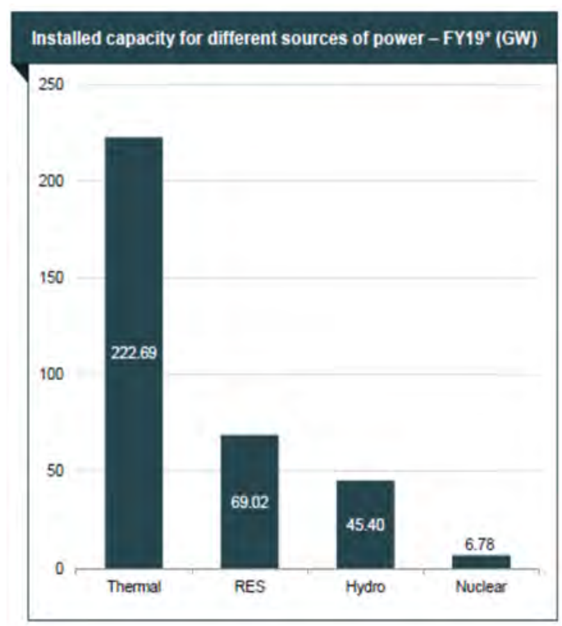
Installed capacity has increased steadily over the years, posting a CAGR of 9.08% during the period FY09–18. Coal-based power generation capacity in India, which currently stands at 197.17 GW is expected to reach 330-441 GW by 2040 due to the increase in the demand for electricity with expansion in industrial activity with further impetus provided by growing population, increasing penetration and per capita usage. As a result, the demand for electricity is expected to increase at a CAGR of 7 per cent to 1,894.7 TWh over FY07–22



Source: www.ibef.org

During the year 2017-18, total ex-bus energy availability increased by 6% over the previous year and the peak met increased by 2.43%. The energy requirement registered a growth of 6.06% during the year and Peak demand registered a growth of 2.84%.

	Energy (MU)	Peak (MW)
Requirement	1,212,134	164,066
Availability	1,203,567	160,752
Shortage	-8567	-3.314
(%)	-0.7	-2.0



Source: www.ibef.org

The Plant Load Factor (PLF) of Coal / Lignite based power plants was ~ 60.7% during financial year 2017-18.

B. Market Outlook

Although the focus is on renewables like wind power and solar, it is expected to take time to adapt our existing infrastructure to their use. The country is still largely reliant on fossil fuel for its energy needs and coal accounts for ~60% of installed capacity and 74% of power generation and will continue to account for the majority share of future power generation. The Niti Aayog has also recently noted that around three-fourths of our power comes from coal-powered plants and this scenario will not change significantly over the coming decades.

The government is also seeking to retire/replace older units due to un-economic operation and to meet environmental norms. About 3500 MW older capacity has been de-commissioned since September 2015. As on date, about 34 GW of operating capacity is more than 25 years old. Retirement of thermal power capacity is expected to result in a more favourable demand/supply balance.

Also, the power demand in the country is projected to grow at about 7%, driven by broader economic growth, focus on manufacturing and power/GDP elasticity. On the supply front, there is no new coal based thermal power capacity now being planned by the private sector given the present distress in the sector. As a result, a potential spike in power demand resulting in a supply deficit is expected as demand increases with no corresponding capacity addition and this is likely to translate into an improvement in the PLF to 70-75% over the next 5 years.

Further, the Ministry of Environment, Forest and Climate Change (MoEF&CC) has prescribed new emission norms which are applicable to all power plants in the country. Your Company's power plant is one of the very few power plants which are compliant with the new emission norms of MoEF&CC. With increased focus on environmental norms, power plants which are unable to comply with the new emission norms would also be phased out. This in turn will be a positive for power plants like ours which have already installed Flue Gas De-sulphurisation system (FGD) and are compliant with the new emission norms prescribed by the MoEF&CC.

Also, with the expected pick-up in the industrial growth in the country, improved SEB financials due to the UDAY scheme and improved demand / supply position, the short-term tariffs are also expected to move north.

All these augur well for the thermal power sector and existing operational thermal power plants like ours stand to benefit with significant potential tariff upside.

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.

Your Company is setting up 3180 MW thermal power plant in Kothattai, Ariyagoshti and Villianallur revenue villages of Chidambaram Taluk, Cuddalore District. The project is being implemented in Phases. Phase I of the project is for 1200 MW comprising 2 units of 600 MW each. Unit 1 of Phase 1 commenced Commercial Operation from 29th September 2015 for supply of 540 MW to TANGEDCO under the long-term Power Purchase Agreement. Unit 2 of Phase 1 commenced Commercial Operation from 28th October 2016 and power is being sold on Short-term arrangements. The FGD for Unit 1 was put into operation in May 2016 and that for Unit 2 was put into operation in April 2017 and with this, all construction activities have been completed.

After extensive discussion, the equipment supplier, construction contractor (viz., SEPCOIII and Tiejun respectively) and the Company have agreed on closure of all contractual issues.

Phase I of the project has been funded by a combination of Debt and Equity. The Debt has been funded by a consortium of 19 banks and financial institutions led by Punjab National Bank.

The Environment Clearance for 3,180 MW which was valid till May 31, 2017 has been renewed for further period of 3 years (till May 31, 2020). The Consent to Operate is valid for a period of 2 years (up to 31st March 2019).

MoP has extended the time period for furnishing the final Mega certificates to the Tax authorities from the earlier 60 months to 120 months from the date of import. In view of the above relief, ITPCL has time till January 2022 to comply with the Mega Power Policy requirements. In addition, this notification allows pro rata Mega Policy benefits in proportion to long-term PPAs already tied-up. In line therewith, MoP has also accorded proportionate mega power policy benefits to ITPCL equivalent to the capacity of its long-term PPA with TANGEDCO (i.e. 56.17%) and the customs department has released the relevant Bank Guarantees.

C.2 Sustainability

The project has been built with a low environmental footprint and includes elaborate pollution control measures including a state of the art wet limestone based Flue Gas De-sulphurisation system (FGD) which can wash around 95% of the Sulphur-dioxide from the Flue gas, Electro Static Precipitator and Wind Barrier which is 15 metres high around the coal yard.

The power plant has its own captive desalination system and uses sea water to meet its water requirements, and does not add pressure on the inland fresh water resources of the State of Tamil Nadu.

Amongst all power plants in the Country including Government owned plants, the Company's power plant is one of the few power plants which have incorporated FGD system and is already compliant with the revised emission norms prescribed by the Ministry of Environment, Forest and Climate Change.

The Company has also developed green belt in about 222 acres till date, and planted about 183,000 saplings. Over the years, the Company has been able to achieve a survival rate of 89% which is quite high for this region.

As part of mangrove conservation programme, ITPCL has engaged Centre for Advanced Study in Marine Biology (CASMB) to conserve the mangroves. Saplings have been developed and planted in consultation with local authorities in degraded Pichavaram mangrove areas.

C.2.1 CSR Initiatives

As a responsible Corporate Citizen the Company has been participating in all-round development of the Community around the project area by contributing to the improvement of infrastructure facilities, education, livelihood, health care and sanitation facilities apart from providing employment and business opportunities to the local villagers.

As a part of IL&FS Group, our imbibed culture is to bring in the best possible, sustainable, scalable and replicable solutions for the projects and the community around our project area. Inclusion of community has been an integral part of our project design.

The Company has designed a well thought out strategy for fulfilling the socio-economic needs of the community and at times also consulted with the District administration while implementing various CSR initiatives in villages around the plant.

C.2.1.1 Healthcare Initiatives

The Company along with Deepam Education Society for Health (DESH) launched “Arogyam” a healthcare program in 2013 focusing on both curative and preventive healthcare. A total of 180 villages having a population of nearly one lakh have been covered by two Mobile Medical Units (MMUs) and one static clinic which provides diagnostic facilities, medicines, expert doctors, special camps on secondary health issues.

Also, the patients are screened/tested for non-communicable diseases and those needing further attention are referred to government hospitals or nearby specialty hospitals.

Further, DESH also conducts a customized program named HAPPY designed with an objective to promote health and reduce the vulnerability to substance use/abuse among youth. HAPPY has been implemented in 11 schools with students from class 6 to 12 benefitting 2300 students, 105 Peer educators and 11 teachers from the programme.

C.2.1.2 Education

The Company has provided physical infrastructure and basic amenities to schools around project area. Apart from this, the Company has donated computers and K-Yans projectors for computer based visual learning in surrounding schools. A Vocational Education programme by the name 'Introduction to Basic Technology' has been introduced in 3 schools benefitting 540 children of class 8th, 9th & 10th. The program focus is mainly on 'Learning while doing' principle.

C.2.1.3 Livelihood

The Company has constructed a safe landing facility for boats of fishermen in the nearby villages. For this purpose, the Company has dredged the creek and constructed a trainer wall and floating berth besides improvement of infrastructure of the fishing boat landing jetty. Further, the Company has been undertaking regular maintenance of the facility including dredging of the creek.

An in depth water resource assessment study was commissioned with the help of National Agro Foundation covering an area of 5600 Ha spread across 4 micro watersheds of Villiyanallur, Kothatai, Ariyakoshti and Agaram covering about 10,000 families. The study highlighted that a) the population is majorly dependent on rain-fed agriculture for livelihood; b) there is an increased risk of salinity ingress in the ground water which is a major source of drinking and irrigation uses.

In order to address the same, a long-term action plan has been launched to improve the water quality and quantity, catchment with a ridge to valley approach in line with the Watershed Development guidelines and activities have already been commenced in Villiyanallur watershed. The Company has also approached NABARD to garner the fund support for this large program. The intervention will lead to improved quality and quantity of water and improved agriculture productivity through diverse cropping and increased crop cycles.

C.2.1.4 Infrastructure

ITPCL has extensively catered to the infrastructure needs of the local community and supported for Construction and Refurbishment of Schools, community halls, library, De-siltation of ponds and drains, Roads and construction of toilets for 2000+ households.

C3. Awards and Recognitions

The Company was awarded the **"Green Award 2017"** for Cuddalore District by the Government of Tamil Nadu, for incorporating environment-friendly best practices in the power plant. The award was presented by the Hon'ble Chief Minister of Tamil Nadu on 04th June 2018.

The Company was also awarded the Platinum Award for Health and Safety by Foundation for Accelerated Mass Empowerment in September 2017.

The Company has been awarded the Top Importer for the year 2017 by the Customs Department, Trichy Division for import of Coal.

92%. Efforts are constantly being made to further improve the efficiency of the plant particularly during operation at part load. Norms have been introduced for Heat Rate/Specific Coal Consumption, Specific Fuel Oil Consumption and O&M cost.

A separate department named Operational Efficiency has been formed which dedicatedly monitors and suggests changes in the operation and maintenance practices for improving operational efficiency of the Power Plant. ITPCL has also adopted various energy conservation measures, and as a result the auxiliary power consumption is well below the design. In the last couple of years, the O&M contracts have been re-negotiated and manpower has also been optimized so as to save on O&M costs.

மாண்புமிகு தமிழ்நாடு முதலமைச்சர் திரு.எடப்பாடி கே.பழனிசாமி அவர்கள் 4.6.2018 அன்று தலைமைச் செயலகத்தில், மாசு தடுப்பு மற்றும் சுற்றுச்சூழல் பாதுகாப்பில் சிறந்து விளங்கிய தொழில் நிறுவனங்களுக்கான 2017–ஆம் ஆண்டிற்கான பசுமை விருதுகளை, கடலூர் மாவட்டம் – திருவாளர்கள் ஐ.எல் & எப்.எஸ் தமிழ்நாடு பவர் கம்பெனி லிமிடெட்., திருவள்ளூர் மாவட்டம் – திருவாளர்கள் யுனைடெட் ப்ரூவரிஸ் லிமிடெட்., நாமக்கல் மாவட்டம் – திருவாளர்கள் சேஷசாயி பேப்பர் & போர்ட்ஸ் லிமிடெட்., ஆகிய நிறுவனங்களுக்கு வழங்கி கௌரவித்தார்கள்.

C.4 Plant Operations

The entire Control Room of the power plant is operated and managed directly by the Company. The operations of the plant has been stream lined with reduction in tripping, increase in availability of the plant, etc. ITPCL has also been adopting best practices in the industry in predictive and preventive maintenance and as a result, the technical plant availability is more than

All the major O&M contracts are turnkey contracts with specific functional guarantees. The Company intends to put in place a revised Operations and Maintenance philosophy which would focus on optimization of cost, further improvement of the O&M practices and reduce reliance on O&M contractors to the extent possible.

C.4 Operational and Financial Performance

The total units generated during FY'18 was 5724 million and the Plant Load Factor (PLF) was 54.5%. The plant availability was 92%.

During FY 2018, the availability declared under the PPA with TANGEDCO was 89.6% compared to 88.5% in FY 2017. The off-take from TANGEDCO has improved substantially during FY 2018 when compared to the previous financial year. As a result, the off-take from TANGEDCO under the PPA during FY 2018 was 73% compared to 53% in FY 2017.

In the absence of a long term PPA, the balance capacity is being sold under short-term bilateral arrangements and through the power exchange. During FY 2018, a total of 1862 MUs were sold at an average tariff of Rs 4.12 per kWh (including transmission charges) generating revenue of Rs 7,660 mn compared to a total sales of 2171 MUs at an average tariff of Rs 3.65 per kWh (including transmission charges) aggregating to a revenue of Rs 7,924 mn during FY 2017.

The revenue from Operations during FY 2017-18 was Rs. 28,909 mn compared to Rs. 23,168 mn during FY 2016-17. The revenue from Operations includes interest on overdue receivables of Rs. 721 mn. Other income on a standalone basis for the year was Rs. 2,008 mn which included interest income of Rs. 961 mn, foreign exchange gain of Rs. 476 mn, income from Coal hedging of Rs. 151 mn and misc. income of Rs. 421 mn. The Earnings before Interest, Tax and Depreciation / Amortization on a standalone basis was Rs. 10,135 mn compared to Rs. 10,058 mn during FY'17. Although the Company incurred a loss of Rs. 2,380 mn, the Company generated Cash from Operations of Rs. 6,295 mn during FY'18 compared to Rs. 3,084 mn during FY'17.

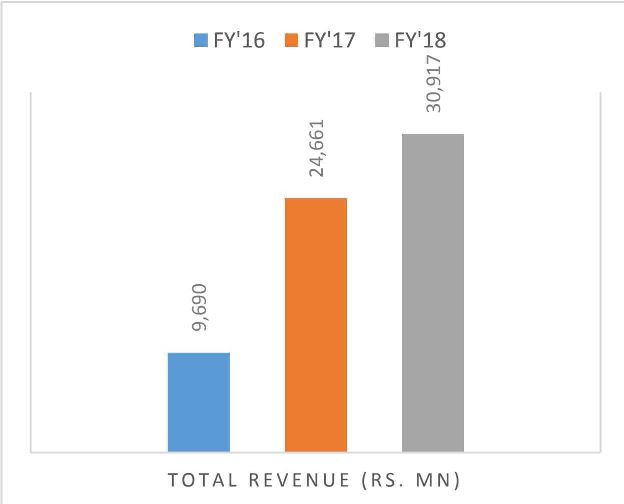
ITPCL is currently rated BBB+ by ICRA and CARE.

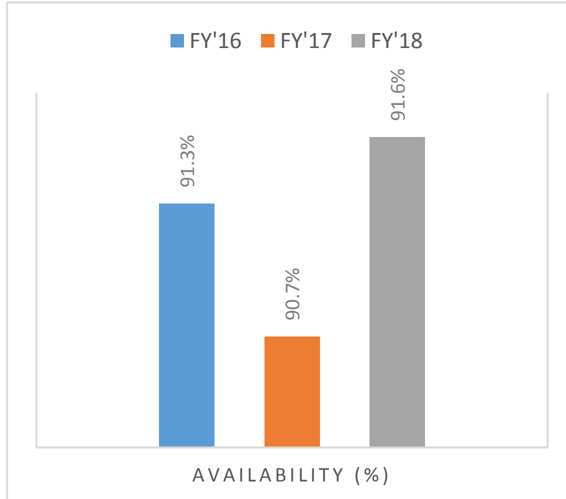
C.5 Human Resource Strategy

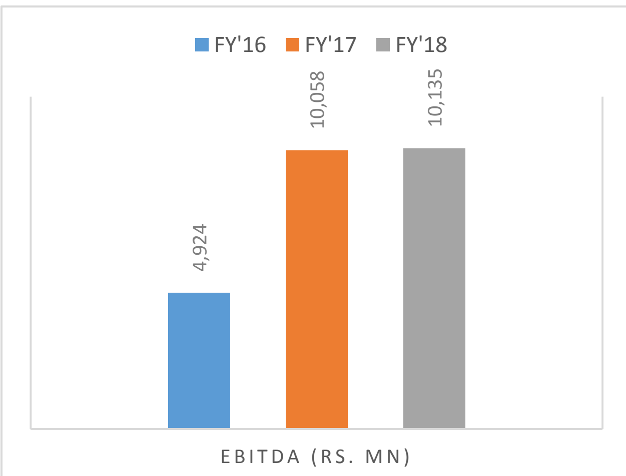
The Company views its employees as its major asset and believes that Key Performers drive growth. In order to make every one of us diligently equipped and seamlessly perform in this ever changing market scenario, the Company has developed an integrated talent management strategy to support our business requirements and move steadily in our journey towards excellence. This integrated talent management strategy has being framed with a defined objective to further build on the capability of all the employees and improve their skill sets for shouldering new and higher responsibilities.

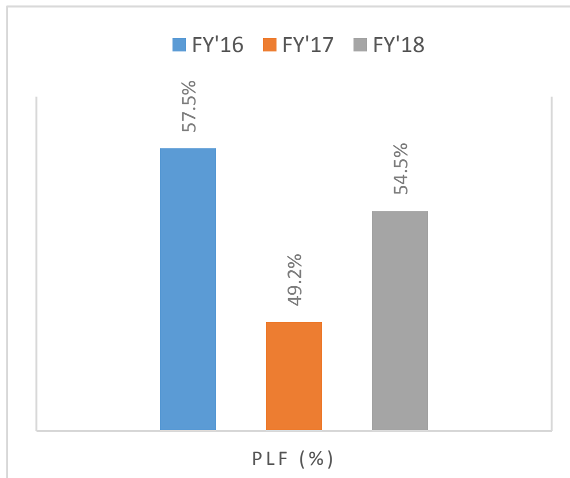
The Company has always had a participative approach and has introduced various Suggestions Schemes seeking suggestions from employees which encourages ideas, thoughts and suggestions from employees.

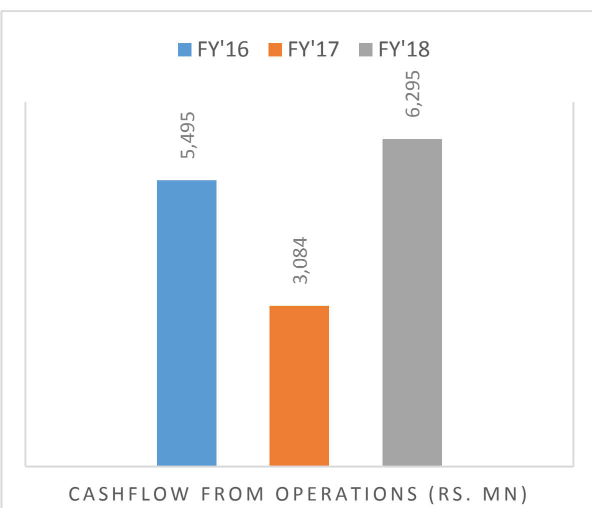
Financial and Operational Performance

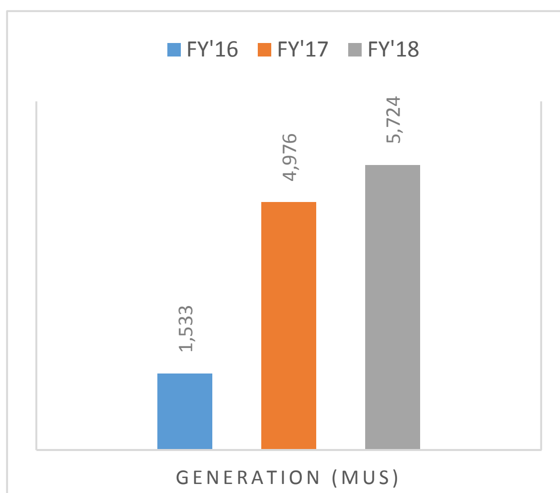












D. Risks and concerns

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

i. Fuel Availability and Price

Limited or delayed supply of fuel (coal) and increased costs may jeopardize the organization's ability to generate power. Fuel price volatility may also impact project sustainability in the longer term. In order to overcome the Fuel Availability risk, the Company has entered into a Fuel Supply Agreement (FSA) with a reliable fuel trader with adequate remedies for failure to supply. As per the FSA, the trader has the flexibility to source the coal from any Coal mine in Indonesia. However, quality control processes have been put in place in order to ensure that the Coal supplied is in line with the plant's requirements.

In order to manage the Price Risk, the Company has adopted a Price Risk Management policy for managing the coal and bunker (fuel oil adjustment for ocean freight) price risk and has also constituted a hedging monitoring committee. The hedging monitoring committee regularly monitors the price movements of coal and bunker and decides on the hedging strategy. Consequent to the change in usage pattern of Coal in the Plant as against using only design coal i.e. 4600 GAR, the pricing model in FSA required a change. Hence the Company has re-negotiated the FSA and has agreed for back to back pricing arrangement for all the Coal requirements instead of linking the prices to the Newcastle Index. Presently, the Coal is procured in a combination of Indonesian Coal index linked pricing basis, fixed price contracts and spot price cargoes.

Further, the Company is also in the process of development of its own mine in Indonesia. The study of the 3944 Ha concession in Upau block under JORC 2012 standards has been completed and the estimated resources and reserves have been established. The Company is in discussion with potential partners for development of the mine with the objective to ensure consistent supply of coal at an economical price. The mine when operational, would act as a natural hedge for the Coal prices.

Further, in order to overcome the risk relating to reliability of Karaikal Port and the Rail transportation for movement of Coal, the Company is in the process of development of a Captive Jetty with Conveyor connecting the Jetty and the plant. This would improve the fuel supply chain and would also result in savings in the logistics cost.

ii. Plant Operation and Maintenance

As the Operations of the Company is plant oriented, Operational 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.

In order to mitigate the Operational and Maintenance risks, the following mitigants are in place / being planned:

- Adopted best practices in the industry in predictive and preventive maintenance
- Norms have been introduced for Heat Rate / Specific Coal Consumption, Specific Fuel Oil Consumption and O&M cost. Optimum coal specifications identified.
- A separate department named Operational Efficiency has been formed which dedicatedly monitors and suggests changes in the operation and maintenance practices for improving operational efficiency of the Power Plant.
- Adopting energy conservation measures.
- Cross unit dispatch has being optimized.

iii. Liquidity Risk

Substantial portion of the power generated by the Company is being sold to the State Discoms and the delay in collection of the receivables put a cashflow stress on the Company. In order to overcome the same, the Company has enhanced its working capital limits and is also exploring alternate options for financing the working capital requirements.

The Company has also opted for the 5/25 Scheme in accordance with provisions of RBI circular on Flexible Structuring of Existing Long Term Project Loans to Infrastructure and Core Industries (referred to as '5/25 Scheme'), which allows elongation of repayment schedule of project loans in infrastructure and core industries over the economic life of the project. As per the Scheme, the tenure of repayment of the outstanding loan amount of Rs 57,903 mn has been elongated to 20 years from the cut-off date, including token principle repayment for the next 3 years, without any change in the interest rate. This has eased pressure on the cashflow of the Company.

iv. Power Off-take Risk

The Company faces / may face loss of revenue due to lower Off-take of Power by the Procurers. The Company has a long-term PPA with TANGEDCO for 540 MW and the balance capacity is being sold on short-term basis. The PPA with TANGEDCO provides for Capacity Charges based on availability which mitigates this risk to some extent.

Ministry of Power, Government of India has come up with a proposal for consolidation of the Power requirement of all the state DISCOMs. In relation thereto, PFC Consulting Limited ("PFC"), has been designated by MoP to carry out the Bidding Process and PTC India Limited ("PTC") has been authorised to act as an aggregator. PFC and PTC have floated an e-tender to procure electricity from the Power Stations for an aggregated contracted capacity of 2500 MW for a period of 3 years commencing from 01st October 2018. Your Company has participated in the said Bid and has offered a capacity of 550 MW. Your Company has agreed to match the L1 tariff. Your Company is confident of securing a contracted capacity of 550 MW as the total offered quantum in the said bid is about 2200 MW. This would be one of the opportunities for the Company to tie-up capacity from Unit 2 for the medium-term.

With increased focus on environmental norms, Power Plant's like ours which have already installed Flue Gas De-sulphurisation system (FGD) and are compliant with the new emission norms prescribed by the MoEF&CC stand to benefit with higher off-take.

The Company is also exploring options for creation of additional revenue stream for the Company.

v. Human Resource

Inadequate resources and competency gaps in human resources may lead to non-achievement of business goals by the Company. To mitigate the same, the Company identifies the training needs of its work force and has implemented a training calendar. Manpower planning is in sync with the growth plans of the Company. Roles and responsibilities have been clearly defined and communicated. Succession planning for key executives is being planned.

E. Risk Management

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.

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.

The monitoring and reporting process will help to determine that:

a. The procedures adopted and information gathered for identifying the risks to the business were appropriate;

b. The mitigation plans put in place for the various risks are appropriate in view of the current scenario and shall result in accomplishing the ultimate objective of risk mitigation; and

c. Personnel who have been assigned the responsibility for the mitigation plans are performing the tasks assigned to them diligently and in the best possible manner.

Risk prioritization is being done by the Company based on the Impact and Likelihood score of the respective risks. The Company has also adopted the Risk Heat Map and Matrix.

The Risk rating methodology has been revamped and weighted average method has been adopted for risk rating. The Risk register and Risk scoring are being updated every half year. An Internal management committee consisting of CEO, CFO, Station Head and Procurement / Commercial team has been formed for periodic review of major risks, mitigation strategies and risk scoring. The Risk mitigation plan has been linked to Risk Owner's KRAs. The Risk Management Committee meeting is scheduled once every 6 months.

F. Reduction of Carbon Footprint

The project has been built with a low environmental footprint and includes elaborate pollution control measures including a state of the art wet limestone based Flue Gas De-sulphurisation system (FGD) which can wash around 95% of the Sulphur-dioxide from the Flue gas, Electro Static Precipitator and Wind Barrier which is 15 metres high around the coal yard.

The power plant has its own captive desalination system and uses sea water to meet its water requirements, and does not add pressure on the inland fresh water resources of the State of Tamil Nadu.

In order to further reduce its Carbon footprint, your Company intends to capture the CO_2 from the Flue Gas and utilize the CO_2 for some value added use. Proven technology exists for capture of CO_2 from the flue gas utilising chemical solvents in a heat integration process. In this regard, your Company is in discussion with technology partners for the Carbon Capture process and is undertaking relevant study.

For the purpose of utilization of the captured CO_2, your Company has entered into a Memorandum of Understanding with Oil and Natural Gas Corporation (ONGC). The scope of the MOU is to explore and identify potential opportunities of developing Carbon Capture, Utilization and Storage (CCUS) as an emissions mitigation tool for combating climate change and involving injecting carbon dioxide (CO_2) into oil reservoirs for effecting Enhanced Oil Recovery (EOR) in India, in line with National Vision of Energy Security and the Paris Agreement (COP21)

Signing of MOU with ONGC

Deloitte Haskins & Sells

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INDEPENDENT AUDITOR'S REPORT
To The Members of IL&FS Tamilnadu Power Company Limited
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of IL&FS Tamilnadu Power Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 Companies Act, 2013 ("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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

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circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: July 6, 2018

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Tamilnadu Power Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 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 of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: July 6, 2018

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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property plant and equipment.

(b) Some of the property plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the Indenture of Mortgage provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged with Project Lenders as security for term loans, are held in the name of the Company based on the Indenture of Mortgage executed between the Project Lender and the Company

With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(iii) 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.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Generation, transmission, distribution and supply of electricity. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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CHARTERED ACCOUNTANTS

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31^{st} March 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and cess which have not been deposited as on March 31, 2018 on account of disputes are given below

Name of Statue	Nature of Dues	Forum where the appeal is pending	Period to which amount relates	Amount Unpaid (Rs.in Million)
Income Tax Act, 1961	Income tax dues	Income tax appellate Tribunal / CIT appeals	Assessment year 2011-12 and 2014-15	100.17

* Amounts paid under protest - Nil

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of

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related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding and subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
(Partner)
Membership No. 29519

Place: Chennai
Date: July 6, 2018

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IL&FS TAMILNADU POWER COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
All amounts are in ₹ million, unless otherwise stated

S.No	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A	**ASSETS**			
	Non-Current Assets			
	(a) Property, plant and equipment	2	109,434.44	102,073.77
	(b) Capital Work in Progress	2	1,267.14	7,758.44
	(c) Goodwill	3	250.28	250.28
	(d) Other Intangible Assets	4	74.44	98.39
	(e) Financial Assets			
	(i) Investments			
	a) Investments in subsidiaries	5	2,277.54	2,252.01
	b) Investments in Joint Venture	5	0.18	0.18
	c) Other Investments	5	0.12	0.12
	(ii) Trade Receivables	6	1,233.25	894.41
	(iii) Loans	7	-	5,209.49
	(iv) Other financial assets	8	2,647.86	2,195.44
	(f) Other Non Current Assets	9	2,129.89	2,426.67
	Total non-current assets		**119,315.14**	**123,159.20**
	Current Assets			
	(a) Inventories	10	3,624.72	2,217.93
	(b) Financial Assets			
	(i) Trade Receivables	6	8,494.26	9,053.56
	(ii) Cash and Cash Equivalents	11	29.99	457.80
	(iii) Bank balances other than (ii) above	12	4,758.35	4,226.45
	(iv) Loans	7	5,825.62	190.65
	(v) Other Financial assets	8	2,936.32	5,298.26
	(c) Current tax assets (Net)	13	227.66	-
	(d) Other Current Assets	9	506.24	780.05
	Total current assets		**26,403.16**	**22,224.70**
	TOTAL ASSETS		**145,718.30**	**145,383.90**
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	14	1,759.70	1,759.70
	(b) Convertible Debentures	15	4,545.37	4,545.37
	(c) Other Equity	16	30,801.69	33,131.60
	Total equity		**37,106.76**	**39,436.66**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	69,405.40	66,167.36
	(ii) Other financial Liabilities	20	2,590.81	-
	(b) Long Term Provisions	22	16.14	13.09
	(c) Other non-current liabilities	21	9,261.39	9,518.12
	Total non-current liabilities		**81,273.74**	**75,698.57**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	12,078.92	7,819.54
	(ii) Trade Payables	19	5,353.30	6,362.25
	(iii) Other financial Liabilities	20	9,394.37	14,969.13
	(b) Short Term Provisions	22	1.49	1.75
	(c) Current tax liabilities(Net)	13	-	207.96
	(d) Other Current Liabilities	21	509.72	888.04
	Total current liabilities		**27,337.80**	**30,248.67**
	Total Liabilities		**108,611.54**	**105,947.24**
	TOTAL EQUITY AND LIABILITIES		**145,718.30**	**145,383.90**

The accompanying notes are an integral part of these standalone financial statements

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

Geetha Suryanarayanan
Partner
Place: Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

Place:Mumbai
Date:12/05/2018

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IL&FS TAMILNADU POWER COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in ₹ million, unless otherwise stated

S.No	Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I	Revenues from Operations	23	28,908.80	23,168.44
II	Other Income	24	2,008.46	1,492.85
III	Total Income (I+II)		**30,917.26**	**24,661.29**
IV	Expenses:			
	Cost of materials consumed	25	18,297.69	12,606.73
	Other direct expenses	26	1,098.61	1,080.09
	Employee benefits expense	27	227.58	205.76
	Finance costs	28	9,710.15	6,186.97
	Depreciation and amortisation expense	29	2,804.87	1,958.40
	Other expenses	30	1,158.74	710.82
	Total Expenses (IV)		**33,297.64**	**22,748.77**
V	(Loss)/Profit before tax (III-IV)		**(2,380.38)**	**1,912.52**
VI	Tax Expense:			
	(1) Current Tax	30.1	-	449.83
			-	**449.83**
VII	(Loss)/Profit for the year (V-VI)		(2,380.38)	1,462.69
	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(0.06)	(2.61)
			(0.06)	(2.61)
VIII	Total other comprehensive loss		(0.06)	(2.61)
IX	Total Comprehensive (Loss)/Income (VII+VIII)		(2,380.44)	1,460.08
X	Earnings Per Equity Share (Nominal value per share ₹ 10)			
	- For continuing operations			
	(a) Basic		(13.53)	8.31
	(b) Diluted		(13.53)	7.31

The accompanying notes are an integral part of these financial statements

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

Geetha Suryanarayanan
Geetha Suryanarayanan
Partner

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 6 July 2018

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya
Priya Iyer
Company Secretary

Place: Mumbai
Date:12/05/2018

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IL&FS TAMILNADU POWER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in ₹ million, unless otherwise stated

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. Cash flow from operating activities				
Net profit before tax		**(2,380.38)**		1,912.52
Adjustments for :				
Depreciation and Amortisation	2,804.87		1,958.40	
Finance costs	9,710.15		6,186.97	
Unrealised exchange gain(net)	76.94		(95.34)	
Interest Income	(960.67)		(914.14)	
Gain on derecognition of financial liabilities	(380.43)		-	
Accrued Income	(420.00)		-	
Provision for employee benefits	3.78		1.87	
		10,834.64		**7,137.76**
Operating profit before working capital changes		**8,454.26**		**9,050.28**
Changes in working capital				
Adjustments:				
Trade and other receivables	220.46		(5,505.06)	
Inventories	(1,406.79)		(115.73)	
Other Assets	232.04		(241.78)	
Other Financial Assets	512.93		(3,463.14)	
Trade payable	(1,035.36)		3,079.00	
Other Liabilities	(204.35)		1,424.66	
Other Financial Liabilities	(42.38)		(721.66)	
		(1,723.45)		**(5,543.71)**
Cash generated from operations		**6,730.81**		**3,506.57**
Direct taxes paid (net of refund)		**(435.62)**		**(422.68)**
Net cash flow from operating activities		**6,295.19**		**3,083.89**
B. Cash flow from investing activities				
Purchase of PPE including capital advances	(2,960.58)		(5,234.80)	
Purchase of Intangibles	-		(117.84)	
Investments in subsidiary companies	(25.53)		(123.72)	
Loans and Advances (given)/received back	190.65		(398.23)	
Fixed deposits matured	628.13		4,000.87	
Bank balances considered as other than cash and cash equivalent	(531.90)		(3,743.93)	
Interest received	191.21		1,523.79	
Net cash flow used in investing activities		**(2,508.02)**		**(4,093.86)**
C. Cash flow from financing activities				
Proceeds from long term borrowings	1,097.50		4,409.00	
Repayment of long term borrowings	(1,965.79)		(2,895.70)	
Issue of non convertible debentures	-		4,973.12	
Net increase in working capital borrowing	1,510.03		4,399.56	
Sub debt received from group companies	1,898.48		5,776.20	
Repayment of sub debt to group companies	(304.58)		(4,579.15)	
Proceeds/(Repayment) of loan against fixed deposit	2,200.54		(2,677.56)	
Finance costs	(8,174.35)		(6,674.68)	
Interim dividend paid including Dividend distribution tax	(476.81)		(1,503.40)	
Net cash flow used in financing activities		**(4,214.98)**		**1,227.39**
Net(Decrease)/increase in cash and cash equivalents (A+B+C)		**(427.81)**		**217.42**
Reconciliation				
Cash and cash equivalents at the beginning of the year		457.80		240.38
Cash and cash equivalents at the end of the year		**29.99**		**457.80**
Net (Decrease)/ increase in cash and cash equivalents		**(427.81)**		**217.42**

The accompanying notes are an integral part of these financial statements

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

Geetha Suryanarayanan
Partner
Place: Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer
Place: Mumbai
Date:12/05/2018

Priya Iyer
Company Secretary

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IL&FS TAMILNADU POWER COMPANY LIMITED
Statement of Changes in Equity for the year ended 31 March 2018
All amounts are in ₹ million, unless otherwise stated

Particulars	Share Capital	Security premium Reserve	Foreign Currency Monetary Item Translation Difference Account	Debenture Redemption reserve	Retained earnings	Actuarial Gain / (Loss)	Total
Balance at March 31, 2016	**1,759.70**	**32,479.92**	**18.88**	**-**	**1,248.73**	**(0.40)**	**35,506.83**
2016-17							
Profit for the year	-	-	-	-	1,462.69		1,462.69
Addition for the year	-	-	(109.26)	16.95	-		(92.31)
Utilised during the year	-	-	13.92	-	-		13.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(2.61)	(2.61)
Amount transferred to debenture redemption reserve	-	-	-	-	(16.95)		(16.95)
Payment of dividends(Refer Note 16.1)	-	-		-	(1,980.27)	-	(1,980.27)
Balance at March 31, 2017	**1,759.70**	**32,479.92**	**(76.46)**	**16.95**	**714.20**	**(3.01)**	**34,891.30**
2017-18							
(Loss) for the year	-	-	-	-	(2,380.38)		(2,380.38)
Addition for the year	-	-	12.33	-	-		12.33
Utilised during the year	-	-	38.20	-	-		38.20
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.06)	(0.06)
Balance at March 31, 2018	**1,759.70**	**32,479.92**	**(25.93)**	**16.95**	**(1,666.18)**	**(3.07)**	**32,561.39**

The accompanying notes are an integral part of these financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS * CHENNAI-17 * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

Place: Mumbai
Date: 12/05/2018

Corporate information
IL&FS Tamil Nadu Power Company Limited (the Company - CIN U72200TN2006PLC060330) was incorporated on June 26, 2006. The company was established for setting up a thermal based power project of 1200 Mega Watt (MW) in two units of 2 X 600 MW each (during Phase I). The first unit of 600 MW achieved COD (Commercial Operations Date) during the year 2015-16. The Second unit of 600 MW achieved COD (Commercial Operations Date) during the year 2016-17.

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

SIGNIFICANT ACCOUNTING POLICIES

1.01 Statement of Compliance
The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018 the Ministry of Corporate Affairs ('the MCA) notified the companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign Currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, When an entity has received or paid advance consideration in a foreign currency.
The amendment will come in force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.
Ind AS 115, Revenue from Contract with customers: On March 28, 2018, The MCA notified Ind AS 115.The Core principal of the new standard is that an entity should recognise revenue to depict the transfer of premised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from entity's contracts with customers.
This standard permits two possible methods of transition:
-Retrospective approach: Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, *Accounting Policies, Change in Accounting Estimates and Errors.*
- Retrospectively with cumulative effect of initially applying the standard recongnised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1,2018. The company will adopt the standard on April 1,2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

1.02 Basis of preparation and presentation
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 takes into account 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.

1.03 Property, Plant and Equipment (PPE)
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.PPE are 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.
iii. Machinery spares which can be used only in connection with an item of PPE 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 PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

vi. 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.

vii.Impairment of Property, Plant and Equipment:
Property, Plant and Equipment are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable.
An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.Impairment losses, if any, are recognised in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

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The estimated useful life adopted by the company are mentioned below

Asset	Useful lives (in years)
Data Processing Equipments - Server & Networking	4 Years
Leasehold improvements incl. installations	Over the primary period of lease
Mobile Phones & IPads / Tablets	During the year of purchase
Office equipment	5 years
Electrical Installation	10 years
Furniture & Fixtures	10 years
Plant & Machinery	40 years
Transmission Line	40 years
Buildings & Civil Structures	60 years
Hydraulic Works, Pipelines & Sluices	15 years
Bridges	30 years
Railway Siding & Track Hopper	30 years
Roads (non-carpeted) and drains	3 years
Vehicles - Cars	4 years
Vehicles - Cars used by employees	5 years
Vehicles - Motor cycles	8 years
Temporary structures at project site	From the date of completion to the estimated date of commencement of commercial operations.

1.04 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 are carried at cost less accumulated amortisation and impairment losses, if any.Intangible assets with infinite useful life has 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."

Estimated useful lives of the intangible assets are as follows:

Intangible Asset	Useful life
Computer software	During the year of purchase or over the actual useful life
SAP Software	5 years

1.05 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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 account.

1.06 Financial assets

Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis.

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in subsidiaries and associates are accounted at cost.
All other financial assets are subsequently measured at fair value.
For the impairment policy on financial assets measured at amortized cost, refer note.1.06.d
For the impairment policy on Investment in subsidiaries and associates, refer note.1.06.d

b. 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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c. Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

Fair value is determined in the manner described in note 44.2. For accounting policy on fair value measurement refer note 1.12

d. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

e. Derecognition of financial assets

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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

1.07 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

c.1. *Financial liabilities at FVTPL*

Financial liabilities are recognised at fair value through profit or loss (FVTPL) if it includes derivative liabilities.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note no.44.5

c.2. *Financial liabilities measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

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.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

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c.3. *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a company entity are initially measured at their fair values and, are subsequently measured at the higher of:

•the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;

• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

c.4. *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.5. *Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

1.08 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 Further details of derivative financial instruments are disclosed in note 44.3.b

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.

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.

1.09 Foreign Currency Transactions

Functional currency of the company is Indian Rupee.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 note 1.08 above for hedging accounting policies);

• Exchange differences on long term foreign currency monetary item outstanding as on the transition date are recognised in Foreign Currency Monetary Item Translation Difference Account

1.10. Inventories

Inventories other than by products are stated at the lower of cost(cost being determined on weighted average basis) 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.

Stores and spares are valued at cost, the cost being determined on FIFO basis.

1.11 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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1.12. 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.

1.13. 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.

1.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. 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

Interest on overdue receivables, differencial CVD, Service tax paid/GST on ocean freight under reverse charge machanism and coal cess 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 time proportion basis.

1.15 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.

1.16 Employee Benefits

(a) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:
• Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• Net interest expense or income; and
• Remeasurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

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Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

1.17. 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.

1.18 Taxation

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

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the balance sheet date and is recognized on timing differences that originate in one period and are expected to reverse after the expiry of exemption period under section 80 IA of the Income Tax Act, 1961. No deferred tax is recognized for those timing differences which reverses within the tax holiday period. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be realized.

c. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.19 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.

1.20 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.21 Cash flow statement

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

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Note 2-Property, Plant and Equipment and Capital Work-in-progress

Particulars	₹ In millions	
	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Land (owned)	3,605.19	3,508.19
Temporary structures at project site	-	3.46
Roads	173.48	196.17
Hydraulics works, pipelines and sluices	2,544.14	2,729.93
Bridge Work	46.26	47.82
Railway Siding & Track Hopper	1,822.51	1,885.19
Transmission Line	2,361.86	2,421.50
Buildings & Civil Structures	6,842.81	6,454.46
Furniture and fixtures	24.97	32.85
Vehicles	3.75	5.16
Office equipments	16.08	7.52
Plant and machinery	91,986.69	84,772.37
Computers	6.69	9.15
	109,434.44	**102,073.77**
Capital Work-in-progress	1,267.14	7,758.44
	110,701.58	**109,832.21**

Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmission Line	Buildings & Civil Structures	Furniture and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Balance at March 31, 2016	3,503.74	3.53	247.92	1,831.78	50.24	1,980.49	2,510.77	3,721.89	42.51	9.08	12.03	44,463.75	9.22	58,386.95
Additions	4.45	-	23.60	909.23	-	0.57	1.75	2,348.46	9.80	-	1.84	34,395.18	6.46	**37,701.34**
Effect of foreign currency exchange differences								(0.67)				1,201.93		**1,201.26**
Borrowing cost capitalised			-	196.02	-	0.12	0.38	492.09				6,761.78		**7,450.39**
Balance at March 31, 2017	**3,508.19**	**3.53**	**271.52**	**2,937.03**	**50.24**	**1,981.18**	**2,512.90**	**6,561.77**	**52.31**	**9.08**	**13.87**	**86,822.64**	**15.68**	**104,739.94**
Additions	97.00	-	30.59	-	-	-	-	446.78	6.46	0.06	12.59	8,437.27	1.67	**9,032.42**
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-	-	-	-	172.56	-	**172.56**
Borrowing cost capitalised	-	-	1.28	-	-	-	-	52.49	-	-	-	882.89	-	**936.66**
Deletion	-	-	-	-	-	-	-	-	-	(1.20)	-	-	-	**(1.20)**
Balance at March 31, 2018	**3,605.19**	**3.53**	**303.39**	**2,937.03**	**50.24**	**1,981.18**	**2,512.90**	**7,061.04**	**58.77**	**7.94**	**26.46**	**96,315.36**	**17.35**	**114,880.38**

Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmission Line	Buildings & Civil Structures	Furniture and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Accumulated depreciation and impairment														
Balance at March 31, 2016	-	0.07	23.33	58.27	0.81	31.62	30.18	29.28	4.53	2.28	3.59	541.03	2.55	**727.54**
Depreciation expense	-	-	52.02	148.83	1.61	64.37	61.22	78.03	14.93	1.64	2.76	1,509.24	3.98	**1,938.63**
Balance at March 31, 2017	-	**0.07**	**75.35**	**207.10**	**2.42**	**95.99**	**91.40**	**107.31**	**19.46**	**3.92**	**6.35**	**2,050.27**	**6.53**	**2,666.17**
Accumulated depreciation and impairment														
Depreciation expense	-	3.46	54.56	185.79	1.56	62.68	59.64	110.92	14.34	1.43	4.03	2,278.40	4.13	**2,780.93**
Deletion										(1.16)				**(1.16)**
Balance at March 31, 2018	-	**3.53**	**129.91**	**392.89**	**3.98**	**158.67**	**151.04**	**218.23**	**33.80**	**4.19**	**10.38**	**4,328.67**	**10.66**	**5,445.94**
Carrying amount as on March 31, 2017	**3,508.19**	**3.46**	**196.17**	**2,729.93**	**47.82**	**1,885.19**	**2,421.50**	**6,454.46**	**32.85**	**5.16**	**7.52**	**84,772.37**	**9.15**	**102,073.77**
Carrying amount as on March 31, 2018	**3,605.19**	-	**173.48**	**2,544.14**	**46.26**	**1,822.51**	**2,361.86**	**6,842.81**	**24.97**	**3.75**	**16.08**	**91,986.69**	**6.69**	**109,434.44**

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Note 3-Goodwill

Particulars	₹ In million	
	As at March 31, 2018	**As at March 31, 2017**
Goodwil	250.28	250.28
Total	**250.28**	**250.28**

The Goodwill corresponds to the acquisition of land for phase II project through the scheme of merger as approved by the the Honorable High Court of Judicature at Madras which has been identified as cash generating unit. The company has valued the land acquired through amalgamation by independent valuer as on March 31,2017.

The key assumptions used in the value in use calculations for the cash-generating unit are as follows:

Market value Approach
This method models the behavior of the market by comparing the properties being Appraised with similar properties that have been recently sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as the size, shape, location, frontage, usage, transaction time etc., Their sale/ offer prices are then adjusted for their difference from the subject property. Finally, a market value for the subject is estimated from the adjusted sales price of the comparable.

Note 4: Other Intangible Assets	₹ In million	
	As at March 31, 2018	**As at March 31, 2017**
Carrying amounts of:		
Computer Software	74.44	98.39
Balance at end of year	**74.44**	**98.39**

i)Computer Software	₹ In million	
	As at March 31, 2018	**As at March 31, 2017**
Balance at beginning of the year	124.02	6.18
Additions	-	117.84
Disposals	-	-
Balance at end of year	**124.02**	**124.02**

Accumulated depreciation and impairment	**As at March 31, 2018**	**As at March 31, 2017**
Balance at beginning of year	25.63	5.86
Amortisation expense	23.95	19.77
Balance at end of year	**49.58**	**25.63**
Carrying amount at end of year	**74.44**	**98.39**

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Note 5: Financial Assets: Investments	**₹ In million**	
Particulars	**As at March 31, 2018**	**As at March 31, 2017**
I)Investments in Subsidiaries		
Unquoted Investments		
Investments in Equity Instruments at Cost		
4,21,79,626 (2017 - 4,17,79,626) shares of US$ 1 each fully paid up in ILFS Maritime Offshore Pte Ltd, Singapore	2,277.54	2,252.01
Total Investments in Subsidiaries	**2,277.54**	**2,252.01**
II) Investments in Joint Venture		
Unquoted Investments		
Investments in Joint venture at Cost		
17,600(2017 - 17,600)equity shares of ₹ 10/- fully paid up in Cuddalore Solar Power Private Limited	0.18	0.18
Total Investments in Joint Venture	**0.18**	**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	**2,277.84**	**2,252.31**

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Particulars	As at March 31, 2018	As at March 31, 2017
Note 6.Trade Receivables		
Trade Receivables(Refer note 6.1)		
Unsecured, considered good	9,727.51	9,947.97
doubtful	363.74	-
Allowance for doubtful debts (expected credit loss allowance)	(363.74)	-
	9,727.51	**9,947.97**
Current	**8,494.26**	**9,053.56**
Non-current	**1,233.25**	**894.41**

6.1. The average credit period on sale of power ranges from 30 to 50 days.No interest is charged on trade receivables for first 30 days, thereafter as per the Article 8.3.5 of PPA, 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 13.40% to 13.85% per annum.

Interest on overdue receivables, differencial CVD, Service tax paid/GST on ocean freight under reverse charge machanism and coal cess from TNEB has been accrued based on the contractual terms of PPA.Management had considered 3 year period for receipt of interest on overdue receivable differencial CVD, Service tax paid on ocean freight under reverse charge machanism and coal cess from TNEB.During the current year Management has classified interest on overdue receivables as current based on discussions with TNEB to have one full and final settlement. Hence the company has discounted differencial CVD, Service tax paid on ocean freight under reverse charge machanism and coal cess receivables for the period of 3 years @ 13.68 % for accounting income.

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.

Age of receivables	As at March 31, 2018	As at March 31, 2017
0-30 days past due	4,493.79	6,133.81
31-90 days past due	1,890.17	2,511.88
61- 90 days past due	1,815.86	1,036.46
91-180 days past due	132.51	-
More than 180 days past due	1,758.92	265.82
	10,091.25	**9,947.97**

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 7. Loans		
At Amortised Cost		
Non-current		
a. Loans to related parties		
- Unsecured, considered good		5,209.49
	-	**5,209.49**
Current		
a. Loans to related parties		
- Unsecured, considered good	5,825.62	190.65
	5,825.62	**190.65**
	5,825.62	**5,400.14**

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Note 8 Other Financial Assets

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
At Amortised Cost				
(a) Security Deposits	333.98	23.39	44.32	26.58
(b) Interest receivable	32.08	20.11	459.47	314.00
(c) Bank deposits due to mature after 12 months of the reporting date	2,076.05	1,951.17	-	-
(d) Fixed Deposits under lien:				-
with Bank	-	-	-	758.00
with Statutory authorities	205.75	200.77	-	-
(e) Unbilled Revenue		-	2,432.53	3,178.34
(f) Receivable from related party	-	-	-	922.99
At Fair value through profit or loss				
(i) MTM Asset	-	-	-	98.35
	2,647.86	**2,195.44**	**2,936.32**	**5,298.26**

Note 9 Other Assets

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(a) Prepaid expenses	279.62	449.93	325.29	307.24
(b) Capital Advances	1,568.46	1,694.93	-	-
(c) Employee advance	-	-	1.88	1.66
(d) Advances to suppliers	-	-	176.39	471.15
(e) Balance with government authorities	-	-	2.68	-
(f) Other advances	281.81	281.81	-	-
	2,129.89	**2,426.67**	**506.24**	**780.05**

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Note 10 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
At lower of cost and net realisable value		
(a) Fuel (Refer Note.37)(Including in transit stock ₹ 2,432 million(As on 2017 ₹ 999.14 million)	2,912.60	1,932.15
(b) Stores and spares	712.12	285.78
	3,624.72	**2,217.93**

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹18,297.69 million (for the year ended March 31, 2017 ₹ 12,606.73 million).

For charge on asset refer note no.18.1&18.2.
The mode of valuation has been stated in Note No.1.10.

Note 11. 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 and drafts on hand. 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, 2018	As at March 31, 2017
(a) Balances with banks		
(i) In Current account	29.99	457.80
	29.99	**457.80**

Note 12 Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks in earmarked accounts		
- In Unpaid Dividend account	-	146.54
- In escrow account with security agent of long term lenders*	1,433.17	4,079.91
-In Deposit account (Maturing with in 3 Months) with security agent of long term lenders*	3,325.18	
	4,758.35	**4,226.45**

* The Company has an escrow account with M/s Punjab National Bank, Large Corporate Branch, who is the 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 project related payments as approved by the lenders alone.

Note 13 Current tax asset and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax assets		
- Tax deducted at source	227.66	241.87
	227.66	**241.87**
Current tax liabilities		
- Income tax payable	-	449.83
	-	**449.83**
Current tax assets/ (liabilities) (Net)	**227.66**	**(207.96)**

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Note 14 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
AUTHORISED :		
Equity Shares:		
5,001,000,000 Equity Shares of ₹ 10 each (2017 - 5,001,000,000)	50,010.00	50,010.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
175,969,765 Equity Shares of ₹ 10 each (2017 - 175,969,765)	1,759.70	1,759.70
	1,759.70	**1,759.70**

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

Reconciliation	2017-18		2016-17	
	No of Shares	In ₹	No of Shares	In ₹
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the Year	175,969,765	1,759,697,650	175,969,765	1,759,697,650
Allotment of shares	-	-	-	-
At the end of the Year	**175,969,765**	**1,759,697,650**	**175,969,765**	**1,759,697,650**

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, 2018		March 31, 2017	
	Nos.	%	Nos.	%
IL&FS Energy Development Company Ltd	160,797,509	91.38%	160,797,509	91.38%
A.S.Coal Resources Pte Ltd, Singapore	15,172,256	8.62%	15,172,256	8.62%

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. Each holder of equity share is entitled to one vote for 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 Convertible Debentures

Particulars	As at March 31, 2018	As at March 31, 2017
Convertible debentures		
-IL&FS Energy Development Company Ltd(Refer Note.15.1)	(843.91)	(843.91)
-Infrastructure Leasing & Financial Services Ltd(Refer Note.15.2)	5,389.28	5,389.28
	4,545.37	**4,545.37**

15.1. Fully Compulsorily Convertible debentures(FCCD) issued to IL&FS Energy Development Company Limited and 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.The terms of issue of these debentures were changed subsequently in the year 2016-17 to carry a coupon rate of 16% per annum with retrospective effect since the date of issue and would be convertible at fair market value of shares on September 30, 2024.Hence FCCD were classified as financial liability in the year 2016-17 and interest accrued till the change in terms were debited to equity.

15.2. FCCD's issued to Infrastructure Leasing and Financial Services Limited during the year 2015-16 carried a coupon rate of 16% per annum and were convertible at fair market value of shares on date of conversion which is 108 (one hundred and eight) months from allotment date but limited in the range of ₹100-400. Hence FCCD's were classified as financial liability with derivative component measured at fair value through Profit and loss account. During the year 2016-17 term of conversion were changed which provided for conversion to fixed number of shares.Hence the carrying value of debentures along with interest accrued and the derivative component was classified as equity in the year 2016-17.There are no change in terms during the current year.

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Note 16 Other equity

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Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium reserve	32,479.92	32,479.92
Debenture Redemption reserve	16.95	16.95
Foreign Currency Monetary Item Translation Difference Account	(25.93)	(76.46)
Actuarial movement through other comprehensive income	(3.07)	(3.01)
Retained Earnings	(1,666.18)	714.20
	30,801.69	**33,131.60**

Other Equity

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Securities Premium Account		
Opening balance	32,479.92	32,479.92
Add : Addition during the year	-	-
Closing balance	**32,479.92**	**32,479.92**
(b) Debenture Redemption Reserve		
Opening balance	16.95	-
Add: Addition during the year	-	16.95
Less: Utilised during the year	-	-
Closing balance	**16.95**	**16.95**
(c) Foreign Currency Monetary Item Translation Difference Account		
Opening balance	(76.46)	18.88
Add : Effect of foreign exchange rate variations during the year	12.33	(109.26)
Less : Amortisation for the year	(38.20)	(13.92)
Closing balance	**(25.93)**	**(76.46)**
(d) Actuarial gains or losses		
Opening Balance	(3.01)	(0.40)
Additions/(Deletions)	(0.06)	(2.61)
Closing Balance	**(3.07)**	**(3.01)**
(e) Retained Earnings		
Opening Balance	714.20	1,248.73
Add : Profit/(Loss) for the year	(2,380.38)	1,462.69
	(1,666.18)	**2,711.41**
Less: Interim Dividend on Equity Shares(Refer Note 16.1)	-	1,645.32
Tax on dividend	-	334.95
Transfer to Debenture Redemption Reserve	-	16.95
Closing Balance	**(1,666.18)**	**714.20**
Total Other Equity	**30,801.69**	**33,131.60**

16.1
Notes

Pursuant to resolution passed by the board of directors on March 29, 2017 company has declared an interim dividend to its shareholders at Rs.9.35 per share amounting to Rs.1645.32 million and tax on dividend amounting to Rs. 334.95 million theron.

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.

Foreign Currency Monetary Item Translation Difference Account:
Company adopted exemption under IndAs 101 to follow previous GAAP accounting for long term financial instruments outstanding as on transition date. Hence company accumulates the exchange difference arising out of long term foreign currency monetary item that does not pertains to acquisition of an asset to this account and amortises to profit or loss account over the period of the instrument.

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

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Note 17 Non-current borrowings
LONG TERM BORROWING

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Secured - At amortised cost				
i).Debentures(Refer Note 17.1)	4,979.90	4,973.12	-	-
ii). Term Loans(Refer Note 17.2)				
- From banks	49,142.53	38,402.50	49.32	3,431.84
-From Financial Institutions	6,596.71	6,214.94	6.61	436.76
iii). Buyers credit	-	8,177.41	-	-
Sub Total	**60,719.14**	**57,767.97**	**55.93**	**3,868.60**
Unsecured - at amortised cost				
i). Debentures from related party(Refer No.17.3)	4,365.01	3,762.94	-	-
ii). Term loan from related party(Refer No 17.4)	4,321.25	4,636.45	1,360.28	-
Sub Total	**8,686.26**	**8,399.39**	**1,360.28**	**-**
Total	**69,405.40**	**66,167.36**	**1,416.21**	**3,868.60**

17.1.Non convertible debentures
Consequent to the approval of the Board of Directors of the Company at their meeting held on November 28, 2016, the Company has raised funds by way of private placement of 5,000 secured, unlisted, redeemable non convertible debentures having face value of ₹ 10,00,000 aggregating to ₹ 5000 million.Birla Sunlife Trustee Company Private Limited has subscribed for these debentures.The NCD has been raised based on the undertaking given by IL&FS Energy Development Company Ltd. Non convertible debentures carries a rate of interest of 9.80% p.a.

Debentures are redeemable at premium of 4.84% on its maturity, ₹ 2500 million on March 16, 2020 and ₹ 2500 million on March 14, 2021.

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) A first charge over all the immovable properties of the Company including leasehold rights if any both the present & future.

(b) 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 moveable assets both present and future.

(c) A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising.

(d) 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.

(f) 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.

(g) 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.

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

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

Rate of interest:
As on 31.03.2018, 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
During the year the Company structured its debt through 5/25 scheme announced by the RBI. The revised debt repayment is over a period of 79 quarterly instalments from 31st December 2017.

Breach of Loan agreement
There is no breach of loan agreement.

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17.3.Debentures from related party

The Company has issued 5,00,000 Zero percentage fully compulsorily convertible debentures(FCCD) having a face value of ₹ 10,000 to IL&FS Energy development company limited (IEDCL) amounting to ₹ 4900 million and to A S Coal Resources Pte Limited amounting to ₹ 100 million in the year 2014-15 . During the year 2015-16, ₹ 2600 million (including ₹ 100 million issued to AS Coal Resources Pte Limited) were converted. The said debentures were converted at a fixed price of ₹311.75 per share (83,40,016 shares of ₹ 10 each). During the year 2016-17, the company has revised the interest rate to 16% per annum with retrospective effect and the basis of conversion to variable number of equity shares based on the fair market value(FMV) as on the date of conversion, to be determined by a independent valuer.

17.4.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 4th year as first instalment, 30% of loan amount repayable at the end of 5th year as second instalment and the balance of 40% of loan amount repayable at the end of 6th year as third and final instalment.

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. During the year the company has repaid ₹ 284.79 million.

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.

Note 18: SHORT TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured - at amortised cost		
a. Short Term Loan		
- from Related parties(Refer Note 18.1)	749.41	200.60
Secured - at amortised cost		
a. Loan repayable on demand (Refer Note 18.2 & 18.3)		
- from banks	7,050.36	5,873.93
b. Others (Refer note no 18.4)		
- Loan against Fixed deposit	2,920.54	720.00
- Buyers Credit	1,358.61	1,025.01
	12,078.92	**7,819.54**

18.1. During the year the company has availed the following unsecured short term loans from its holding company IL&FS Enegy Development Company Limited.Outstanding balance as on 31st March 2018 is given below.

Facility Amount	Rate of interest	Date of Loan taken	Outstanding balance as on 31 st March 2018(₹ In million)
123.60 million	16% p.a. compounding quarterly	11-Sep-17	24.54
123.60 million	16% p.a. compounding quarterly	12-Mar-18	120.82
314.05 million	NIL	19-Jan-18	314.05
290.00 million	NIL	28-Mar-18	290.00

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.

18.3. None of the short term borrowings are guaranteed by Directors

18.4.Interest on loan against FD

As on 31.03.2018, the loan against fixed deposit carries a rate of interest 6.7% per annum.

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Note 19 Trade Payables

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Trade payables	5,353.30	6,362.25
	5,353.30	**6,362.25**

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

Note 20 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
At Amortised Cost				
(a) Current maturities of long-term debt(Refer Note.17.2 & 17.4)	-	-	1,416.21	3,868.60
(b) Interest accrued but not due on borrowings	-	-	881.11	68.26
(c) Dividend Payable	-	-	-	141.86
(d) Payable for fixed asset	-	-	6,161.43	5,435.67
(e) Retention money payable	2,590.81	-	906.32	5,084.76
(f) Other Liabilities		-		
- Security Deposits Payable		-	0.26	1.00
- Employee Benefits Payable		-	0.84	42.47
At Fair Value throgh Profit and loss		-		
(i) MTM Liability		-	28.20	326.51
		-		
	2,590.81	**-**	**9,394.37**	**14,969.13**

Note 21 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
a. Advances payable	-	-	-	96.79
b. Statutory remittances (Contributions to PF & NPS, Withholding Taxes, Excise Duty, VAT, Service Tax,GST, etc.)	-	-	102.92	241.97
c. Dividend Distribution tax payable		-		334.95
d. advances from Customers	-	-	169.80	-
e.Deferred Government Grant	9,261.39	9,518.12	235.95	214.33
f.Provision for Gratuity	-	-	1.05	-
	9,261.39	**9,518.12**	**509.72**	**888.04**

Note 22 Provisions

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for compensated absences	16.14	13.09	1.49	1.75
	16.14	**13.09**	**1.49**	**1.75**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

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NOTE 23 Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Revenue from power supply	27,920.54	22,592.48
	27,920.54	**22,592.48**
(b) Other operating revenues		
- sale of by-product	32.57	14.57
- interest on overdue receivables	720.59	393.74
- Deferred income	235.10	167.65
	28,908.80	**23,168.44**

Note 24 Other Income

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss				
On Deposits	356.62		347.17	
On Long term financial liabilities	109.44		225.70	
On Loans and advances to subsidiaries	494.61		341.27	
		960.67		914.14
(b) Other gains or losses				
- Net gain on foreign currency transaction and translation		95.49		558.29
- Net gain on derecognition of financial liabilities measured at amortised Cost		380.43		-
(c) Other non-operating income				
- Coal hedging Income		151.27		18.01
- Others*		420.60		2.41
		2,008.46		**1,492.85**

* Includes an amount of 42 million waived by one of the EPC contractor

Note 25 Cost of material consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Coal	18,062.72	12,408.69
(b) Oil	70.63	81.29
(c) Stores, spares and consumables	164.34	116.75
Total	**18,297.69**	**12,606.73**

NOTE 26 Other Direct Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Operation & Maintenance	537.10	798.12
(b) Railway freight & detention charges	7.31	3.84
(c) SRLDC Charges	508.06	242.04
(d) Others	46.14	36.09
Total	**1,098.61**	**1,080.09**

Note 27 Employee Benefit expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries, Wages and Bonus	208.30	194.79
(b) Contribution to Provident and Other Funds	13.58	6.16
(c) Staff Welfare Expenses	5.70	4.81
	227.58	**205.76**

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Note 28 Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i) Interest costs;		
(a) Debentures	1,092.07	380.08
(b) Loans	7,811.25	6,951.17
(c) On long term financial liabilities	109.45	225.70
(d) Amortised cost on loan given to subsidiary	101.43	90.61
Less: Interest capitalised	-	(2,272.99)
(ii) Other borrowing costs*	595.95	812.40
	9,710.15	**6,186.97**

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

Note 29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation/amortisation on		
a. Property, plant and equipment	2,780.93	1,938.63
b. Intangible assets	23.95	19.77
	2,804.88	**1,958.40**

Note 30 Other expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Power and Fuel		1.89		1.59
Rent		20.02		25.63
Repairs and Maintenance				
- Buildings	6.76		5.63	
- Others	63.63	70.39	41.73	47.36
Insurance		107.39		52.80
Rates and Taxes		19.27		16.97
Communication Expenses		0.74		1.01
Travelling and Conveyance		35.76		23.99
Printing and Stationery		0.85		0.64
Auditors' Remuneration(Refer Note.32)		6.39		2.78
Legal and Professional Expenses		308.78		266.93
Directors Sitting Fees		4.71		2.76
Green belt and Environmental Expenses		23.49		14.35
Security Expenses		72.30		39.69
Delay payment Charges on overdue payables		68.52		160.82
Research and development expenses		5.12		-
Provision for doubtful debts		363.74		-
Corporate Social Responsibility expenditure		42.54		49.70
Miscellaneous Expenses		6.84		3.80
		1,158.74		**710.82**

30.1. Income taxes relating to continuous operations

Particulars	2017-18	2016-17
Income tax recognised in profit or loss		
Current tax		
In respect of current year	-	449.83
Total income tax expense recognised in the current year relating to	**-**	**449.83**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	2017-18	2016-17
(Loss)/Profit before tax from continuing operations	(2,380.38)	1,912.52
Income tax expense calculated at 21.342% (2016-17 - 21.342%)	-	408.17
Interest on tax for delayed payment	-	41.66
Income tax expense recognised in profit or loss (relating to continuing operations)	**-**	**449.83**

The tax rate used for the FY 2017-18 and 2016-17 reconciliations above is the Minimum Alternate Tax(MAT) rate of 21.342% payable by the company cover under section 115JB of the Income Tax Act 1961.

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Particulars	Year ended March 31, 2018	Year ended March 31, 2017
31. Expenditure incurred for Corporate social responsibility	**42.54**	**49.70**
32. Payment to auditors		
(i) Audit Fees	5.55	1.59
(ii) Fees for other services	0.75	1.20
(iii) Reimbursement of out of pocket expenses	0.09	-
	6.39	**2.79**
33.1 Whole time Directors remuneration:		
Short-term benefits	15.69	17.87
	15.69	**17.87**

Note : Managerial remuneration above does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

33.2 Non Whole time Directors remuneration :		
Directors' sitting Fees	3.35	2.87
	3.35	**2.87**

34.Operating lease arrangements

34.1 Company as Lessee
The Company has taken office premises on operating lease

35. Payments recognised as expense in the statement of profit and loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum Lease payments	20.02	25.63

36. Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	8.39	25.95
Later than 1 year and not later than 5 years	-	24.70
Later than 5 years	-	-
	8.39	**50.65**

37. Particulars in respect of stock

CLASSES OF GOODS	2017-18	2016-17
Raw material		
Fuel		
Coal(Including in transit stock)	2,856.74	1,882.07
High Speed Diesel Oil	23.35	25.05
High Speed Furnace oil	5.25	8.11
Lime Stone	27.26	16.92
Stores and spares		
Stores and spares	712.12	285.78
	3,624.72	**2,217.93**

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	Particulars	2017-18	2016-17
38	Estimated amount of capital commitments remaining to be executed net of advances	-	533.56
	Operational commitments remaining to be executed	201,032.29	173,794.98
39	Other monies for which the Company is contingently liable		
	(a) Bank Guarantee provided to customs department	9,752.90	9,752.90
	(b) Disputed income tax demand pertaining to AY 2011-12 as per the order of the AO under appeal before CIT(A)	19.47	19.47
	(c) Disputed income tax demand pertaining to AY 2014-15 as per the order of the AO under appeal before CIT(A)	80.70	-

* Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities

40 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 to generate, harness, develop, purchase, accumulate, transmit, distribute and supply electricity by conventional and non-conventional methods. Accordingly, the amounts appearing in these financial statements relate to this primary business segment.

The geographical segment is the secondary segment as per the aforesaid standard. Since, all the segment assets are in India, there are no separate geographical segment details required to be disclosed.

Segment was arrived based on the reporting strategy to chief operating decision maker on the monthly basis by the management.

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41.Employee benefit plans

A. Defined contribution plans

The Company makes Provident Fund contributions which is a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefit. The Company recognised ₹8.36 million for the year ended March 31, 2018 (P.Y: 31st March 2017 ₹7.59 million) for Provident Fund contributions in the Statement of Profit and Loss as Expenditure capitalised as the case may be. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Gratuity -

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2018 by Mr.K.Sriram, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method.The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in thevalue of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	**Gratuity (Funded)**	
	2017-18	**2016-17**
Present Value of obligations at the beginning of the year	15.08	9.08
Current service cost	4.92	3.55
Interest Cost	1.01	0.69
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	(0.32)	2.63
Benefits paid	(1.98)	(0.87)
Present Value of obligations at the end of the year	**18.72**	**15.08**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	13.47	12.22
Interest Income	-	-
Return on plan assets	1.09	0.99
Contributions from the employer	5.46	1.12
Benefits Paid	(1.98)	(0.87)
Actuarial (loss)/gain	(0.38)	0.02
Fair Value of plan assets at the end of the year	**17.67**	**13.47**
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	18.72	15.08
Fair value of plan assets at end of the year	17.67	13.47
Funded status of the plans – Liability recognised in the balance sheet	**1.05**	**1.61**
Components of defined benefit cost recognised in profit or loss		
Current service cost	4.92	3.55
Net Interest Expense	1.01	0.69
Past service cost	(1.09)	(0.99)
Net Cost in Profit or Loss	**4.84**	**3.25**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	(0.32)	2.63
Return on plan assets	0.38	(0.02)
Net Cost in Other Comprehensive Income	**0.06**	**2.61**
	March 31,2018	**March 31,2017**
Assumptions		
Discount rate	7.70%	7.20%
Expected rate of salary increases	6.50%	6.50%
Expected rate of attrition	3.00%	3.00%
Average age of members	36.40	35.90
Average remaining working life	15.20	15.40
Mortality (IALM (2006-2008) Ultimate)	100%	100%

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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, 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 31,2018**	**March 31,2017**
Discount rate		
- 0.50% increase	17.78	14.28
- 0.50% decrease	(19.73)	(15.94)
Salary growth rate		
- 0.50% increase	(19.76)	(15.96)
- 0.50% decrease	17.75	8.61

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 NA (PY:NA).

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) - 11.5 years(as on March 31, 2017-11.4 year)

c) Expected Benefit payments in the following years:

Year 1	0.43
Year 2	1.01
Year 3	0.75
Year 4	1.63
Year 5	1.41
Next 5Years	11.38

C. Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows.

Assumptions	**2017-18**	**2016-17**
Discount rate	7.71%	7.20%
Attrition Rate	3%	3%
Expected rate of salary increases	6.50%	6.50%

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42. Earnings per Share:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Basic Earnings per share	(13.53)	8.31
Diluted Earnings per share	(13.53)	7.31

42.1 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.

(Loss)/ Profit after Taxation	(2,380.38)	1,462.69
Earnings used in the calculation of basic earnings per share	**(2,380.38)**	**1,462.69**
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	175.97	175.97
Add: Equity shares Issued During the year	-	-
Number of equity Shares of ₹ 10 each outstanding at the end of the year	175.97	175.97
(b) Weighted Average number of Equity Shares	175.97	175.97

42.2 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.

Earnings used in the calculation of basic earnings per share	**(2,380.38)**	**1,462.69**
Adjustments:	-	-
Earnings used in the calculation of diluted earnings per share	**(2,380.38)**	**1,462.69**

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:

Weighted average number of equity shares used in the calculation of basic earnings per share	175.97	175.97
Potential Equity shares to be issued Fully convertible debentures*	-	24.24
Weighted average number of equity shares used in the calculation of diluted earnings per share	175.97	200.21

*The incremental shares on conversion of fully Convertible debentures(FCCD's) issued to IL&FS Energy Development Company Limited(IEDCL) and Infrastructure Leasing and Financial services Limited(IL&FS) were not included in the calculation of diluted earnings per share because they are antidilutive whereas during the previous year incremental shares on conversion of FCCD issued to IL&FS were only considered because they were diluting in nature.

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43. Related party disclosures (as identified by the Management and relied upon by the Auditors)

a. Ultimate Holding Company
1. Infrastructure Leasing & Financial Services Limited (IL&FS Ltd)

b. Holding Company
1. IL&FS Energy Development Company Limited (IEDCL)

c. Subsidiaries
1. ILFS Maritime Offshore Pte Limited (IMOL) – Wholly Owned Subsidiary
2. IL & FS Offshore Natural Resources Pte Limited (IONRL) – Step down Subsidiary
3. PT Bangun Asia Persada (PT BAP) – Step down Subsidiary
4. PT Mantimin Coal Mining (PT MCM) – Step down Subsidiary
5. Se7en Factor Corporation (SFC) – Step down Subsidiary

d. Fellow Subsidiaries (with whom there are transactions during the year)
1. IL&FS Financial Services Limited
2. IL&FS Environmental Infrastructure Services Limited
3. IL&FS Maritime Infrastructure Company Limited
4. IL&FS Education and Technology Services Limited
5. IL&FS Engineering & Construction Company Ltd
6. Porto Novo Maritime Limited
7. IL&FS Cluster Development Initiative Limited
8. ISSL Settlement & Transaction Services Ltd
9. IL&FS Transportation Networks Limited
10. IL & FS Technologies Limited
11. Livia India Limited
12. Saurya Ujra Company Rajastan Limited

e. Joint Ventures (with whom there are transactions during the year)
1. Cuddalore Solar Power Private Limited

f. Key Management Personnel
1. M .S. Srinivasan – Chairman cum Director

Nature of transactions/ balance outstanding with related parties

Particulars	Year ended March 31,2018	Year ended March 31,2017
Inter-company borrowings availed		
IL & FS Energy Development Company Limited	1,898.48	6,547.47
IL & FS Transportation Network Limited	-	200.60
Inter-company borrowings repaid (with interest)		
IL & FS Energy Development Company Limited	103.98	6,563.42
IL & FS Transportation Network Limited	200.60	-
Receipt of services		
IL & FS Energy Development Company Limited	249.41	210.67
Infrastructure Leasing & Financial Services Limited	123.86	147.95
IL & FS Financial Services Limited	277.39	293.81
IL&FS Environmental Infrastructure Services Limited	-	5.76
IL&FS Maritime Infrastructure Company Limited	1,435.31	1,425.53
IL&FS Education & Technology Services Limited	-	6.29
IL&FS Clusters Development Initiative Ltd	-	0.30
ISSL Settlement & Transaction Services Ltd	0.99	4.16
Porto Novo Maritime Limited	24.68	54.20
Livia India Limited	1.61	0.16
IL & FS Technologies Limited	0.30	0.15
Rendering of services		
IL & FS Energy Development Company Limited	4,905.36	2,252.71
IL&FS Environmental Infrastructure Services Limited	1.27	1.30
IL&FS Maritime Infrastructure Company Limited	0.92	1.17
Saurya Ujra Company Rajastan Limited	2.76	5.28
Porto Novo Maritime Limited	0.40	0.15
Additions to Capital Work in Progress		
IL&FS Maritime Infrastructure Company Limited	439.00	-
IL&FS Environmental Infrastructure Services Limited	250.00	-
Infrastructure Leasing & Financial Services Limited	350.00	-
Investment made		
IL&FS Maritime Offshore Pte Limited	25.65	123.72

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IL&FS TAMILNADU POWER COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
All amounts are in ₹ million, unless otherwise stated

IL&FS | Energy

Particulars	Year ended March 31,2018	Year ended March 31,2017
Interest Income		
ILFS Maritime Offshore Pte Limited	494.61	284.66
IL & FS Energy Development Company Limited	17.10	
Dividend Paid		
IL & FS Energy Development Company Limited	-	1,503.46
Interest Expense		
IL & FS Energy Development Company Limited	1,492.28	2,094.10
L&FS Transportation Networks Limited	18.78	5.95
Remuneration to key management personnel		
a)Salary		
M S Srinivasan	15.39	17.63
b)Sitting fees		
M S Srinivasan	0.30	0.24
Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Year-end payable balances		
IL & FS Energy Development Company Limited	145.33	219.09
Infrastructure Leasing & Financial Services Limited	862.49	490.81
IL&FS Education & Technology Services Limited	-	2.53
IL&FS Environmental Infrastructure Services Limited	5.19	6.05
IL&FS Financial Services Limited	286.12	248.65
Livia India Limited	0.53	0.10
IL&FS Technologies Limited	0.10	0.10
Porto Novo Maritime Limited	57.38	33.32
IL&FS Maritime Infrastructure Company Limited	1,634.12	1,339.04
Year-end receivable balances		
IL & FS Energy Development Company Limited	29.41	1,604.11
IL&FS Environmental Infrastructure Services Limited	-	1.19
Porto Novo Maritime Limited	0.58	0.16
IL&FS Maritime Infrastructure Company Limited	1.53	0.54
Share Capital	-	
IL & FS Energy Development Company Limited	1,607.98	1,607.98
A S Coal Resources Pte Limited	151.72	151.72
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
Fully Compulsorily Convertible Debentures		
Infrastructure Leasing & Financial Services Limited	5,000.00	5,000.00
IL & FS Energy Development Company Limited	2,400.00	24,000.00
Inter-company borrowings received		
IL & FS Energy Development Company Limited	6,430.94	4,636.45
L&FS Transportation Networks Limited	-	200.60
Investments		
ILFS Maritime Offshore Pte Limited	2,277.66	2,252.01
Cuddalore Solar Power Company Ltd	0.18	0.18
Loans & Advances		
ILFS Maritime Offshore Pte Limited	3,902.65	4,080.96
Porto Novo Maritime Limited	1,003.50	1,003.50
Infrastructure Leasing & Financial Services Limited	6.88	7.79
IL & FS Energy Development Company Limited	327.13	-
Accrued Interest Payable		
IL & FS Energy Development Company Limited	2,778.19	1,375.15
L&FS Transportation Networks Limited	22.26	23.92
Infrastructure Leasing & Financial Services Limited	548.03	548.03
Accrued Interest Receivable		
ILFS Maritime Offshore Pte Limited	1,922.97	1,650.36
IL & FS Energy Development Company Limited	15.39	-

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44. Financial instruments

44.1 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.

The following table summarises the capital of the Company:

Particulars	As at 31 March 2018	As at 31 March 2017
Equity	**37,106.76**	**39,436.66**
Debt	82,900.53	77,855.50
Cash and cash equivalents	(29.99)	(457.80)
Net debt	**82,870.54**	**77,397.70**
Total capital (equity + net debt)	**119,977.29**	**116,834.36**
Net debt to capital ratio	0.69	0.66

44.2 Categories of financial instruments

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Derivative instruments not designated in hedge accounting relationship	-	98.35
Measured at amortised cost		
(a) Cash and bank balances	4,788.34	4,684.25
(b) Other financial assets at amortised cost	21,137.31	22,743.46
Measured at cost		
(a) Investments in equity instruments in subsidiaries and joint ventures	2,277.83	2,252.31
Financial liabilities		
Measured at amortised cost	98,794.59	94,991.77
Measured at fair value through profit or loss (FVTPL)	28.20	326.51

44.3 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 ₹ 82,900.53 million as on 31st March, 2018 and ₹ 77,855.50 million as on 31st March, 2017 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 31,2018	For the year ended March 31,2017
Impact on Profit or Loss for the year	414.50	389.28

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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 $ 142.37 million as on 31st March, 2018 and $ 184.95 million as on 31st March, 2017, would have affected the Company's profit for the year as follows :

Particulars	Impact of change in USD to INR	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on Profit or Loss for the year	55.13	62.44

Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:

1. Imports
2. foreign currency borrowings availed for meeting the capital requirements in the form of buyers credit

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.

a. 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 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Outstanding value of buyer's credit(both hedged and unhedged)	-	126.12	-	8,177.44
Outstanding value of retention money/ Liabilities in respect of project contracts	60.41	72.93	3,929.07	4,728.68
Payables towards purchase of raw material	53.30	51.76	3,466.59	3,356.05
Total	**113.71**	**250.81**	**7,395.66**	**16,262.17**

Particulars	Asset		Asset	
	USD		INR	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Interest accrued on loan given to Wholly Owned Subsidiary	28.67	25.45	1,754.43	1,650.36
Loan given to wholly whonned subsidiary(both hedged and unhedged)	60.00	62.94	3,890.32	4,080.96
Total	**88.67**	**88.39**	**5,644.75**	**5,731.32**

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

b. Foreign currency forward Contracts outstanding as at the Balance Sheet date:

	As at 31 March 2018		As at 31 March 2017	
	Buy	Sell	Buy	Sell
Forward contracts - Cash flow hedges				
USD	-	60	100.58	60
Number of contracts	-	1	46	1

The forward contracts have been entered into to hedge the currency on the external commercial borrowings and loans given by the

Forward contracts	Currency	Cross currency	No. of contracts	Amount in foreign currency	Amount In ₹	Buy/Sell
As at 31 March 2018	USD	INR	-	-	-	Buy
	USD	INR	1	60.00	3,902.65	Sell
As at 31 March 2017	USD	INR	46	100.58	6,521.40	Buy
	USD	INR	1	60.00	3,890.32	Sell

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

C.Foreign currency derivative contracts designated under hedging relationship

The Company has availed buyers credit facilities and have entered into Currency derivative contracts like Forward Contracts to hedge the foreign currency risk exposure. The economic relationship exists between the hedged item (buyers credit) and the hedging instrument (Forward Contracts) since both are taken on the same underlying i:e, USD / INR exchange rate.

Hedging instrument outstanding	Currency	As at 31.03.2018	As at 31.03.2017
Foreign Currency	USD Mn	-	94.25
Nominal amount	INR Mn	-	6,110.97
Average exchange rate	INR/USD	65.04	64.84
Carrying amount of hedging instrument at fair value [liability)]	INR Mn	-	309.78
Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	-	-
Change in fair value of hedging instrument capitalised as borrowing cost along with hedge item	INR Mn	121.99	501.55
Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	0.03	15.09

c) Commodity price risk

The companies operating activities require the on-going purchase of coal and other fuel. This is affected by the price volatility of certain commodities of which a portion has been mitigated by commodity option contracts.

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.

44.4 Liquidity risk management

The Company manages 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.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31 ,2018:

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)	82,900.53	13,495.13	65,391.31	4,014.09	82,900.53
Trade Payables	5,353.30	5,353.30	-	-	5,353.30
Other Financial Liabilities	10,568.97	7,978.16	2,590.81	-	10,568.97
Total	**98,822.80**	**26,826.59**	**67,982.12**	**4,014.09**	**98,822.80**

Particulars	Carrying amount
Trade receivables	9,727.51
Other financial assets	18,475.97
Total	**28,203.48**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

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)	77,855.50	11,688.14	33,271.80	32,895.56	77,855.50
Trade Payables	6,362.25	6,362.25	-	-	6,362.25
Other Financial Liabilities	11,100.53	11,100.53	-	-	11,100.53
Total	**95,318.28**	**29,150.92**	**33,271.80**	**32,895.56**	**95,318.28**

The table below provides details of financial assets as at 31 March 2017:

Particulars	Carrying amount
Trade receivables	9,053.56
Other financial assets	20,724.81
Total	**29,778.37**

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44.5.Financial Instruments

1.Financial Assets and Financial Liabilities

Fair value of financial asset and financial liabilities that not measured at fair value (but fair value disclosure required)

Particulars	As at 31 March 2018			As at 31 March 2017		
	Amortised cost	Fair Value through profit or loss	Fair value	Amortised cost	Fair Value through profit or loss	Fair value
Financial assets						
Financial assets at amortised cost:						
- Trade receivables	9,727.51	-	9,727.51	9,947.97	-	9,947.97
- Cash and cash equivalents	29.99	-	29.99	457.80	-	457.80
- Bank balances other than cash and cash equivalents	4,758.35	-	4,758.35	4,226.45	-	4,226.45
- Investments	2,277.83	-	2,277.83	2,252.31	-	2,252.31
- Loans	5,825.62	-	5,825.62	5,400.14	-	5,400.14
- Other financial assets	5,584.18	-	5,584.18	7,395.35	98.35	7,493.70

Particulars	As at 31 March 2018			As at 31 March 2017		
	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	82,900.53	-	82,900.53	77,855.50	-	77,855.50
Trade payables	5,353.30	-	5,353.30	6,362.25	-	6,362.25
Other financial liabilities	10,540.77	28.20	10,568.97	10,774.02	326.51	11,100.53

Fair Value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures and mutual funds that have quoted price.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and non-convertible cumulative redeemable preference shares.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

Valuation technique(s) and key input(s):

Level 1 The fair value of financial instruments, if any is based on quoted price.

Level 2 Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The fair value of fully convertible debentures is based on discounted cash flow at a discount rate that reflects the current borrowing rate at the end of reporting period.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

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Financial Asset	Fair value hierarchy as at 31st March, 2018			
	Level 1	Level 2	level 3	Total
Financial Assets at amortised cost				
Trade receivables	-	9,727.51	-	9,727.51
Investments	-	2,277.83		2,277.83
Loans	-	-	5,825.62	5,825.62
Cash & Cash equivalents & other bank balances		4,788.34		4,788.34
Other financial assets				
MTM on commodity contracts	-	-	-	-
Others	-	5,584.18	-	5,584.18
Total	-	22,377.86	5,825.62	28,203.48

	Fair value hierarchy as at 31st March, 2018			
	Level 1	Level 2	level 3	Total
Financial liabilities				
Financial liabilities at amortised cost:				
Borrowings				
Bank loan	-	-	65,766.06	65,766.06
Sub debt from related party	-	-	6,430.94	6,430.94
Non convertible debentures	-	-	4,979.90	4,979.90
Fully convertible debentures to related party	-	4,365.01	-	4,365.01
Trade payables	-	5,353.30	-	5,353.30
Other financial liabilities				
MTM on derivative contracts	-	28.20	-	28.20
Others	-	10,540.77	-	10,540.77
Total	-	20,287.28	77,176.90	97,464.18

Financial Asset	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	level 3	Total
Financial Assets at amortised cost				
Trade receivables	-	9,947.97	-	9,947.97
Investments	-	2,252.31	-	2,252.31
Loans	-	-	5,400.14	5,400.14
Cash & Cash equivalents & other bank balances		4,684.25		4,684.25
Other financial assets	-		-	-
MTM on commodity contracts		98.35		98.35
Others		7,395.35		7,395.35
Total	-	24,378.23	5,400.14	29,778.37

	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	level 3	Total
Financial liabilities				
Financial liabilities at amortised cost:				
Borrowings				
Bank loan	-	-	63,257.38	63,257.38
Sub debt from related party		-	4,837.05	4,837.05
Non convertible debentures		-	4,973.12	4,973.12
Fully convertible debentures to related party		3,762.94		3,762.94
Trade payables	-	6,362.25	-	6,362.25
Other financial liabilities				-
MTM on derivative contracts		326.51		326.51
Others		10,774.02		10,774.02
Total	-	21,225.72	73,067.55	94,293.27

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

46. Approval of financial statements

The financial statements were approved for issue by the board of directors on 12th May, 2018.

For and on behalf of the Board of Directors

DELOITTE HASKINS & SELLS
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Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer
Place:Mumbai
Date:12/05/2018

Priya Iyer
Company Secretary

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IL&FS TAMIL NADU POWER COMPANY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of IL&FS Tamil Nadu Power Company Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.1,332.33 million as at 31st March, 2018, total revenues of Rs.Nil and net cash outflows amounting to Rs.17.90 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs.4,745.86 million as at 31st March, 2018, total revenues of Rs.Nil and net cash outflows amounting to Rs.7.39 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including 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 relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the parent, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

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

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CHENNAI-17
CHARTERED ACCOUNTANTS

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

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No:008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: July 6, 2018

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of IL&FS Tamil Nadu Power Company Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting established by the company considering the essential components of the internal controls stated in guidance note on Audit of Internal Financial Control 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 Parent'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 Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting established by the company considering the essential components of the internal controls stated in guidance note on Audit of Internal Financial Control over Financial Reporting issued by The Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: July 6, 2018

DELOITTE HASKINS & SELLS
CHENNAI-17
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IL&FS TAMILNADU POWER COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018
All amounts are in ₹ million, unless otherwise stated

S.No	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A	**ASSETS**			
	Non-Current Assets			
	(a) Property, plant and equipment	2	109,445.53	102,086.18
	(b) Capital Work in Progress	2	1,822.64	9,240.69
	(c) Goodwill	3	250.28	250.28
	(d) Other Intangible Assets	4	3,978.19	4,002.14
	(e) Financial Assets			
	(i) Investments			
	a) Other Investments	5	0.12	0.12
	(ii) Trade Receivables	6	1,233.25	894.41
	(iii) Other financial assets	8	2,647.86	2,195.44
	(f) Other Non Current Assets	9	2,129.88	2,313.12
	Total non-current assets		**121,507.75**	**120,982.38**
	Current Assets			
	(a) Inventories	10	3,624.72	2,217.93
	(b) Financial Assets			
	(i) Trade Receivables	6	8,494.26	9,053.56
	(ii) Cash and Cash Equivalents	11	32.60	485.70
	(iii) Bank balances other than (ii) above	12	4,758.35	4,226.45
	(iv) Other Financial assets	8	2,939.58	4,373.60
	(v) Loans	7	-	193.64
	(c) Current tax assets (Net)	13	227.66	-
	(d) Other Current Assets	9	509.63	684.17
	Total current assets		**20,586.80**	**21,235.05**
	TOTAL ASSETS		**142,094.55**	**142,217.43**
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	14	1,759.70	1,759.70
	(b) Convertible Debentures	15	4,545.37	4,545.37
	(c) Other Equity	16	26,796.84	29,594.02
	Non Controlling Interests		(15.05)	(12.48)
	Total equity		**33,086.86**	**35,886.61**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	69,405.40	66,167.36
	(ii) Other financial Liabilities	20	2,590.81	-
	(b) Long Term Provisions	22	16.14	13.09
	(c) Other non-current liabilities	21	9,261.39	9,518.12
	Total non-current liabilities		**81,273.74**	**75,698.57**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	12,215.11	7,952.43
	(ii) Trade Payables	19	5,554.04	6,566.90
	(iii) Other financial Liabilities	20	9,453.59	15,015.12
	(b) Short Term Provisions	22	1.49	1.75
	(c) Current tax liabilities(Net)	13	-	207.96
	(d) Other Current Liabilities	21	509.72	888.09
	Total current liabilities		**27,733.95**	**30,632.25**
	Total Liabilities		**109,007.69**	**106,330.82**
	TOTAL EQUITY AND LIABILITIES		**142,094.55**	**142,217.43**

The accompanying notes are an integral part of these consolidated financial statements

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

Geetha Suryanarayanan
Partner
Place: Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO: 02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer
Place: Mumbai
Date:12/05/2018

Priya Iyer
Company Secretary

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IL&FS TAMILNADU POWER COMPANY LIMITED

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

All amounts are in ₹ million, unless otherwise stated

S.No	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenues from Operations	23	28,908.80	23,168.44
II	Other Income	24	1,495.46	1,160.35
III	**Total Income (I+II)**		**30,404.26**	**24,328.79**
IV	Expenses:			
	Cost of materials consumed	25	18,297.69	12,606.73
	Other direct expenses	26	1,098.61	1,080.09
	Employee benefits expense	27	244.14	224.86
	Finance costs	28	9,617.97	6,102.86
	Depreciation and amortisation expense	29	2,804.90	1,958.58
	Other expenses	30	1,180.24	743.67
	Total Expenses (IV)		**33,243.55**	**22,716.79**
V	**(Loss)/Profit before tax (III-IV)**		**(2,839.29)**	**1,612.00**
VI	Tax Expense:			
	(1) Current Tax	30.1	-	449.83
			-	449.83
VII	Profit for the year from continuing operations(V-VI)		(2,839.29)	1,162.17
VIII	Profit Attributable to Non controlling interest		(2.99)	(2.61)
IX	Profit Attributable to Owners of the Company		(2,836.30)	1,164.78
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(0.06)	(2.61)
			(0.06)	(2.61)
	B. i) Items that may be reclassified to profit and loss		-	
	a) Exchange differences in translating the financial statements of foreign operations		(11.35)	125.79
X	Total other comprehensive income		(11.41)	123.18
XI	Total Comprehensive Income (VIII+X)		(2,847.71)	1,287.96
XII	Earnings Per Equity Share (Nominal value per share ₹ 10)			
	- For continuing operations			
	(a) Basic		(16.12)	6.62
	(b) Diluted		(16.12)	5.82

The accompanying notes are an integral part of these consolidated financial statements

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

Geetha Suryanarayanan
Partner

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Place: Chennai
Date: 6 July 2018

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO: 02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

Place:Mumbai
Date:12/05/2018

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IL&FS TAMILNADU POWER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
All amounts are in ₹ million, unless otherwise stated

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. Cash flow from operating activities				
Net (loss)/profit before tax		**(2,839.29)**		1,612.00
Adjustments for :				
Depreciation and Amortisation expense	2,804.90		1,958.58	
Finance costs	9,617.97		6,102.86	
Unrealised exchange loss (net)	66.06		29.03	
Interest Income	(475.03)		(572.87)	
Gain on derecognition of financial liabilities	(380.43)		-	
Accrued Income	(420.00)		-	
Provision for employee benefits	3.78		1.87	
		11,217.25		**7,519.47**
Operating profit before working capital changes		**8,377.96**		**9,131.47**
Changes in working capital				
Adjustments:				
Trade and other receivables	220.46		(5,505.06)	
Inventories	(1,406.79)		(115.73)	
Other Assets	234.19		(337.94)	
Other Financial Assets	511.00		(2,290.08)	
Trade payable	(1,039.26)		2,809.89	
Other Liabilities	(204.42)		1,424.68	
Other Financial Liabilities	(38.67)		(721.66)	
		(1,723.49)		**(4,735.90)**
Cash generated from operations		**6,654.47**		**4,395.57**
Direct taxes paid (net of refund)		**(435.62)**		**(422.68)**
Net cash flow from operating activities		**6,218.85**		**3,972.89**
B. Cash flow from investing activities				
Purchase of PPE including capital advances	(2,955.51)		(6,181.53)	
Purchase of Intangibles	-		(117.84)	
Loans and Advances received back / (given)	193.64		(192.45)	
Fixed deposits matured	628.14		4,000.87	
Bank balances considered as other than cash and cash equivalents	(531.89)		(3,743.93)	
Interest received	205.17		1,185.52	
Net cash flow used in investing activities		**(2,460.45)**		**(5,049.36)**
C. Cash flow from financing activities				
Proceeds from long term borrowings	1,097.50		4,409.00	
Repayment of long term borrowings	(1,965.79)		(2,895.70)	
Issue of non convertible debentures	-		4,973.12	
Net increase / (Decrease) in working capital borrowing	1,510.03		4,399.51	
Sub debt received from group companies	1,901.77		5,776.20	
Repayment of sub debt to group companies	(304.58)		(4,579.15)	
Proceeds/(Repayment) of loan against fixed deposit	2,200.54		(2,677.56)	
Finance costs	(8,174.15)		(6,582.11)	
Dividends paid Including Dividend Distribution Tax	(476.82)		(1,503.40)	
Net cash flow used in financing activities		**(4,211.50)**		**1,319.91**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(453.10)**		**243.44**
Reconciliation				
Cash and cash equivalents at the beginning of the year		485.70		242.26
Cash and cash equivalents at the end of the year		**32.60**		**485.70**
Net (decrease) / increase in cash and cash equivalents		**(453.10)**		**243.44**

The accompanying notes are an integral part of these consolidated financial statements

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

Geetha Suryanarayanan
Partner

Place:Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO: 02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

Place:Mumbai
Date:12/05/2018

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IL&FS TAMILNADU POWER COMPANY LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

All amounts are in ₹ million, unless otherwise stated

Particulars	Share Capital	Security premium	Foreign Currency Monetary Item Translation Difference Account	Debenture Redemption reserve	Retained earnings	Items of other comprehensive income: Foreign Exchange Translation Reserve	Items of other comprehensive income: Actuarial Gain / (Loss)	Minority Interest	Total
Balance at March 31, 2016	1,759.70	32,479.92	18.88	-	(2,083.29)	(33.44)	(0.40)	(11.51)	32,129.86
2016-17									
Profit for the year	-	-	-	-	1,164.78	-	-		1,164.78
Addition for the year	-	-	(109.26)	16.95	-	125.79	-	(0.97)	32.51
Utilised/reversed during the year	-	-	13.92	-	-	-	-		13.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(2.61)	-	(2.61)
Amount transferred to debenture redemption reserve	-	-	-	-	(16.95)	-	-	-	(16.95)
Payment of dividends(Refer Note 16.1)	-	-	-	-	(1,980.27)	-	-	-	(1,980.27)
Balance at March 31, 2017	1,759.70	32,479.92	(76.46)	16.95	(2,915.73)	92.35	(3.01)	(12.48)	31,341.24
2017-18									
Profit for the year	-	-	-	-	(2,836.30)	-	-		(2,836.30)
Addition for the year	-	-	12.33	-	-	(11.35)	-	(2.57)	(1.59)
Utilised during the year	-	-	38.20	-	-	-	-		38.20
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(0.06)	-	(0.06)
Balance at March 31, 2018	1,759.70	32,479.92	(25.93)	16.95	(5,752.03)	81.00	(3.07)	(15.05)	28,541.49

The accompanying notes are an integral part of these consolidated financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 6 July 2018

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Maharudra Manohar Wagle
Director
DIN NO: 02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer

Priya Iyer
Company Secretary

Place: Mumbai
Date: 12/05/2018

Corporate information

IL&FS Tamil Nadu Power Company Limited (the Company - CIN U72200TN2006PLC060330) was incorporated on June 26, 2006. The company was established for setting up a thermal based power project of 1200 Mega Watt (MW) in two units of 2 X 600 MW each (during Phase I). The first unit of 600 MW achieved COD (Commercial Operations Date) during the year 2015-16. The Second unit of 600 MW achieved COD (Commercial Operations Date) during the year 2016-17.

Application of new and revised Ind AS

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

SIGNIFICANT ACCOUNTING POLICIES

1.01 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018 the Ministry of Corporate Affairs ('the MCA) notified the companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, When an entity has received or paid advance consideration in a foreign currency.

The amendment will come in force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with customers: On March 28, 2018, The MCA notified Ind AS 115.The Core principal of the new standard is that an entity should recognise revenue to depict the transfer of premised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from entity's contracts with customers.

This standard permits two possible methods of transition:

-Retrospective approach: Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, *Accounting Policies, Change in Accounting Estimates and Errors.*

- Retrospectively with cumulative effect of initially applying the standard recongnised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1,2018. The company will adopt the standard on April 1,2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

1.02 Basis of preparation and presentation

These consolidated 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 takes into account 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.

1.2.01 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company its subsidiaries and entities controlled by the Company control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.02.02 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a 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 interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary 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 of 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 an investment in an associate or a joint venture.

1.03 Property, Plant and Equipment (PPE)

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.PPE are 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.

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 PPE 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 assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

vi. 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.

vii.Impairment of Property, Plant and Equipment:

Property, Plant and Equipment are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.Impairment losses, if any, are recognised in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

The estimated useful life adopted by the Group are mentioned below

Asset	Useful lives (in years)
Data Processing Equipments - Server & Networking	4 Years
Leasehold improvements incl. installations	Over the primary period of lease
Mobile Phones & IPads / Tablets	During the year of purchase
Office equipment	5 years
Electrical Installation	10 years
Furniture & Fixtures	10 years
Plant & Machinery	40 years
Transmission Line	40 years
Buildings & Civil Structures	60 years
Hydraulic Works, Pipelines & Sluices	15 years
Bridges	30 years
Railway Siding & Track Hopper	30 years
Roads (non-carpeted) and drains	3 years
Vehicles – Cars	4 years
Vehicles – Cars used by employees	5 years
Vehicles – Motor cycles	8 years
Temporary structures at project site	From the date of completion to the estimated date of commencement of commercial operations.

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1.04 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 are carried at cost less accumulated amortisation and impairment losses, if any.Intangible assets with infinite useful life has 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."

Estimated useful lives of the intangible assets are as follows:

Intangible Asset	Useful life
Computer software	During the year of purchase or over the actual useful life
SAP Software	5 years

1.05 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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 account.

1.06 Financial assets

Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis.

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

All other financial assets are subsequently measured at fair value.

For the impairment policy on financial assets measured at amortized cost. Refer note.1.06.f

b. 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c. Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

d. Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

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e. Derecognition of financial assets

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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

1.07 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

c.1. *Financial liabilities at FVTPL*

Financial liabilities are recognised at fair value through profit or loss (FVTPL) if it includes derivative liabilities.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note no.44.5

c.2. *Financial liabilities measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

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.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

c.3. *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, are subsequently measured at the higher of:

•the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;

• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

c.4. *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.5. *Derecognition of financial liabilities*

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

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1.08 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 Further details of derivative financial instruments are disclosed in note 44.3.b

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 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.

1.09 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 capitlised 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 note 1.08 above for hedging accounting policies);
- Exchange differences on long term foreign currency monetary item outstanding as on the transition date are recognised in Foreign Currency Monetary Item Translation Difference Account

1.10. Inventories

Inventories other than by products are stated at the lower of cost(cost being determined on weighted average basis) 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.
Stores and spares are valued at cost, the cost being determined on FIFO basis.

1.11 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.

1.12. 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.

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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.

1.13. 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.

1.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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

Interest on overdue receivables, differencial CVD, Service tax paid/GST on ocean freight under reverse charge mechanism and coal cess 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 time proportion basis.

1.15 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.

1.16 Employee Benefits

(a) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

• Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• Net interest expense or income; and
• Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

1.17. 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.

1.18 Taxation

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

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the balance sheet date and is recognized on timing differences that originate in one period and are expected to reverse after the expiry of exemption period under section 80 IA of the Income Tax Act, 1961. No deferred tax is recognized for those timing differences which reverses within the tax holiday period. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be realized.

c. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.19 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.

1.20 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.21 Cash flow statement

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

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IL&FS TAMILNADU POWER COMPANY LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
All amounts are in ₹ million, unless otherwise stated

IL&FS | Energy

Note 2-Property, Plant and Equipment and Capital Work-in-progress

	₹ In million	
	As at 31-Mar-2018	As at 31-Mar-2017
Carrying amounts of:		
Land (owned)	3,605.19	3,508.19
Temporary structures at project site	-	3.45
Roads	173.48	196.17
Hydraulics works, pipelines and sluices	2,544.14	2,729.93
Bridge Work	46.27	47.83
Railway Siding & Track Hopper	1,822.50	1,885.18
Transmission Line	2,361.85	2,421.50
Buildings & Civil Structures	6,853.90	6,466.88
Furniture and fixtures	24.97	32.85
Vehicles	3.75	5.16
Office equipments	16.08	7.52
Plant and machinery	91,986.70	84,772.37
Computers	6.70	9.15
	109,445.53	**102,086.18**
Capital Work-in-progress	1,822.64	9,240.69
	111,268.17	**111,326.87**

Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmission Line	Buildings & Civil Structures	Furniture and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Balance at 31/03/2016	3,503.74	3.53	247.92	1,831.78	50.24	1,980.49	2,510.77	3,737.69	42.51	9.08	12.03	44,463.75	9.22	**58,402.75**
Additions	4.45	-	23.60	909.23	-	0.57	1.75	2,348.51	9.80	-	1.84	34,395.18	6.46	**37,701.39**
Effect of foreign currency exchange differences								(1.89)				1,201.93	-	**1,200.04**
Borrowing cost capitalised	-	-	-	196.02	-	0.12	0.38	492.09	-	-	-	6,761.78	-	**7,450.39**
Balance at 31-Mar-2017	**3,508.19**	**3.53**	**271.52**	**2,937.03**	**50.24**	**1,981.18**	**2,512.90**	**6,576.40**	**52.31**	**9.08**	**13.87**	**86,822.64**	**15.68**	**104,754.57**
Additions	97.00	-	30.59	-	-	-	-	446.85	6.46	0.06	12.59	8,437.27	1.67	**9,032.49**
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	(0.14)	-	-	-	172.56	-	**172.42**
Borrowing cost capitalised	-	-	1.28	-	-	-	-	52.49	-	-	-	882.89	-	**936.66**
Deletion	-	-	-	-	-	-	-	-	-	(1.20)	-	-	-	**(1.20)**
Balance at 31-Mar-2018	**3,605.19**	**3.53**	**303.39**	**2,937.03**	**50.24**	**1,981.18**	**2,512.90**	**7,075.60**	**58.77**	**7.94**	**26.46**	**96,315.36**	**17.35**	**114,894.94**

Particulars	Land (owned)	Temporary structures at project site	Roads	Hydraulics works, pipelines and sluices	Bridge Work	Railway Siding & Track Hopper	Transmission Line	Buildings & Civil Structures	Furniture and fixtures	Vehicles	Office equipments	Plant and machinery	Computers	Total
Accumulated depreciation														
Balance at 31/03/2016	-	0.07	23.33	58.27	0.81	31.62	30.18	31.09	4.53	2.28	3.59	541.03	2.55	**729.35**
Depreciation expense	-	-	52.02	148.83	1.60	64.38	61.22	78.21	14.93	1.64	2.76	1,509.24	3.98	**1,938.81**
Effect of foreign currency exchange differences								0.22						**0.22**
Balance at 31-Mar-2017	**-**	**0.07**	**75.35**	**207.10**	**2.41**	**96.00**	**91.40**	**109.52**	**19.46**	**3.92**	**6.35**	**2,050.27**	**6.53**	**2,668.38**
Depreciation expense	-	3.46	54.56	185.79	1.56	62.68	59.65	110.94	14.34	1.43	4.03	2,278.39	4.12	**2,780.95**
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	1.24	-	-	-	-	-	**1.24**
Deletions	-	-	-	-	-	-	-	-	-	(1.16)	-	-	-	**(1.16)**
Balance at 31-Mar-2018	**-**	**3.53**	**129.91**	**392.89**	**3.97**	**158.68**	**151.05**	**221.70**	**33.80**	**4.19**	**10.38**	**4,328.66**	**10.65**	**5,449.41**
Carrying amounts as on March 31, 2017	**3,508.19**	**3.45**	**196.17**	**2,729.93**	**47.83**	**1,885.18**	**2,421.50**	**6,466.88**	**32.85**	**5.16**	**7.52**	**84,772.37**	**9.15**	**102,086.18**
Carrying amount as on March 31, 2018	**3,605.19**	**-**	**173.48**	**2,544.14**	**46.27**	**1,822.50**	**2,361.85**	**6,853.90**	**24.97**	**3.75**	**16.08**	**91,986.70**	**6.70**	**109,445.53**

Note 3-Goodwill

Particulars	₹ In million	
	As at March 31, 2018	As at March 31, 2017
Goodwill	250.28	250.28
Total	**250.28**	**250.28**

The Goodwill corresponds to the acquisition of land for phase II project through the scheme of merger as approved by the the Honorable High Court of Judicature at Madras which has been identified as cash generating unit. The company has valued the land acquired through amalgamation by independent valuer as on March 31,2017.

The key assumptions used in the value in use calculations for the cash-generating unit are as follows:

Market value Approach

This method models the behavior of the market by comparing the properties being Appraised with similar properties that have been recently sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as the size, shape, location, frontage, usage, transaction time etc., Their sale/ offer prices are then adjusted for their difference from the subject property. Finally, a market value for the subject is estimated from the adjusted sales price of the comparable.

Note 4: Other Intangible Assets

Particulars	₹ In million	
	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Software and Licenses	74.44	98.39
Coal Mine Development Expenses	3,903.75	3,903.75
	3,978.19	**4,002.14**

Particulars	₹ In million	
i)Computer Software	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	124.02	6.18
Additions	-	117.84
Balance at end of year	**124.02**	**124.02**
Accumulated depreciation and impairment	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Balance at beginning of year	25.63	5.86
Amortisation expense	23.95	19.77
Balance at end of year	**49.58**	**25.63**
Carrying amount at end of year	**74.44**	**98.39**

	₹ In million	
ii)Coal Mine Development Expenses*	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	3,903.75	3,903.75
Additions	-	-
Balance at end of year	**3,903.75**	**3,903.75**
Carrying amount at end of year	**3,903.75**	**3,903.75**

*Coal Mine held by subsidiary companies has been identified as cash generating unit and tested for impairment as on reporting date using discounted future cash flows method(DCF method).There was no impairment as on 31st March 2018.

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Note 5: Financial Assets: Other Investments

Particulars	₹ In million As at March 31, 2018	As at March 31, 2017
Other Investments		
Investment in Government securities		
National Savings Certificate	0.12	0.12
Total Non-Current Investments	**0.12**	**0.12**

Note 6. Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables(Refer Note 6.1 below)		
Unsecured, considered good	9,727.51	9,947.97
doubtful	363.74	-
Allowance for doubtful debts (expected credit loss allowance)	(363.74)	-
	9,727.51	**9,947.97**
Current	8,494.26	9,053.56
Non-current	1,233.25	894.41

6.1. The average credit period on sale of power ranges from 30 to 50 days.No interest is charged on trade receivables for first 30 days, thereafter as per the Article 8.3.5 of PPA, 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 13.40% to 13.85% per annum.

Interest on overdue receivables, differencial CVD, Service tax paid on ocean freight under reverse charge machanism and coal cess from TNEB has been accrued based on the contractual terms of PPA.Management had considered 3 year period for receipt of interest on overdue receivable differencial CVD, Service tax paid on ocean freight under reverse charge machanism and coal cess from TNEB.During the current year Management has classified interest on overdue receivables as current based on discussions with TNEB to have one full and final settlement. Hence the company has discounted differencial CVD, Service tax paid on ocean freight under reverse charge machanism and coal cess receivables for the period of 3 years @ 13.68 % for accounting income.

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.

Age of receivables	As at March 31, 2018	As at March 31, 2017
0-30 days past due	4,493.79	6,133.81
31-90 days past due	1,890.17	2,511.88
61- 90 days past due	1,815.86	1,036.46
91-180 days past due	132.51	-
More than 180 days past due	1,758.92	265.82
	10,091.25	**9,947.97**

NOTE 7. Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
a. Loans to related parties		
- Unsecured, considered good	-	193.64
	-	**193.64**

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Note 8 Other Financial Assets

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
At Amortised Cost				
(a) Security Deposits	333.98	23.39	47.58	27.91
(b) Interest receivable	32.08	20.11	459.47	311.00
(c) Bank deposits due to mature after 12 months of the reporting date	2,076.05	1,951.17	-	-
(d) Fixed Deposits under lien:			-	-
With Bank	-	-	-	758.00
With Statutory authorities	205.75	200.77	-	-
(e) Unbilled Revenue	-	-	2,432.53	3,178.34
At Fair value through profit or loss				
(i) MTM Asset	-	-	-	98.35
	2,647.86	**2,195.44**	**2,939.58**	**4,373.60**

Note 9: Other Assets

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(a) Prepaid expenses	279.62	336.38	327.23	209.91
(b) Capital Advances	1,568.46	1,694.93	-	-
(c) Employee advance	-	-	1.88	1.66
(d) Advances to suppliers	-	-	177.84	472.60
(e) Balance with government authorities	-	-	2.68	-
(f) Other advances	281.80	281.81	-	-
	2,129.88	**2,313.12**	**509.63**	**684.17**

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Note 10 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
At lower of cost and net realisable value		
(a) Fuel (Refer Note.37)(Including in transit stock ₹ 2,432 million(As on 2017 ₹ 999.14 million)	2,912.60	1,932.15
(b) Stores and spares	712.12	285.78
	3,624.72	**2,217.93**

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹18,297.69 million (for the year ended March 31, 2017 ₹ 12,606.73 million).
For charge on asset refer note no.18.1&18.2

The mode of valuation has been stated in note no.1.10

Note 11 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 and drafts on hand. 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, 2018	As at March 31, 2017
(a) Balances with banks		
(i) In Current account	32.60	485.67
(b) Cash on hand	-	0.03
	32.60	**485.70**

Note 12 Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks in earmarked accounts		
- In Unpaid Dividend account	-	146.54
- In escrow account with security agent of long term lenders*	1,433.17	4,079.91
-In Deposit account (Maturing with in 3 Months) with security agent of long term lenders*	3,325.18	-
	4,758.35	**4,226.45**

* The Company has an escrow account with M/s Punjab National Bank, Large Corporate Branch, who is the 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 project related payments as approved by the lenders alone.

Note 13 Current tax asset and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax assets		
- Tax refund receivable	227.66	241.87
	227.66	**241.87**
Current tax liabilities		
- Income tax payable	-	449.83
	-	449.83
Current tax assets/ (liabilities) (Net)	**227.66**	**(207.96)**

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Note 14 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
AUTHORISED :		
Equity Shares:		
5,001,000,000 Equity Shares of ₹ 10 each (2017 - 5,000,100,000)	50,010.00	50,010.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
175,969,765 Equity Shares of ₹ 10 each (2017 - 175,969,765)	1,759.70	1,759.70
	1,759.70	**1,759.70**

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

Reconciliation	2017-18		2016-17	
	No of Shares	In ₹	No of Shares	In ₹
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the year	175,969,765	1,759,697,650	175,969,765	1,759,697,650
Allotment of shares	-	-	-	-
At the end of the year	**175,969,765**	**1,759,697,650**	**175,969,765**	**1,759,697,650**

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, 2018		March 31, 2017	
	Nos.	%	Nos.	%
IL&FS Energy Development Company Ltd	160,797,509	91.38%	160,797,509	91.38%
A.S.Coal Resources Pte Ltd, Singapore	15,172,256	8.62%	15,172,256	8.62%

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. Each holder of equity share is entitled to one vote for 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 Convertible Debentures

Particulars	As at March 31, 2018	As at March 31, 2017
Convertible debentures		
-IL&FS Energy Development Company Ltd(Refer Note.15.1)	(843.91)	(843.91)
-Infrastructure Leasing & Financial Services Ltd(Refer Note.15.2)	5,389.28	5,389.28
	4,545.37	**4,545.37**

15.1. Fully Compulsorily Convertible debentures(FCCD) issued to IL&FS Energy Development Company Limited and 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.The terms of issue of these debentures were changed subsequently in the year 2016-17 to carry a coupon rate of 16% per annum with retrospective effect since the date of issue and would be convertible at fair market value of shares on September 30, 2024.Hence FCCD were classified as financial liability in the year 2016-17 and interest accrued till the change in terms were debited to equity.

15.2. FCCD's issued to Infrastructure Leasing and Financial Services Limited during the year 2015-16 carried a coupon rate of 16% per annum and were convertible at fair market value of shares on date of conversion which is 108 (one hundred and eight) months from allotment date but limited in the range of ₹100-400. Hence FCCD's were classified as financial liability with derivative component measured at fair value through Profit and loss account. During the year 2016-17 term of conversion were changed which provided for conversion to fixed number of shares.Hence the carrying value of debentures along with interest accrued and the derivative component was classified as equity in the year 2016-17.There are no change in terms during the current year.

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Note 16 Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium reserve	32,479.92	32,479.92
Debenture Redemption reserve	16.95	16.95
Foreign Currency Monetary Item Translation Difference Account	(25.93)	(76.46)
Actuarial movement through other comprehensive income	(3.07)	(3.01)
Retained Earnings	(5,752.03)	(2,915.73)
Foreign Exchange Translation Reserve	81.00	92.35
	26,796.84	**29,594.02**

Other Equity:

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Securities Premium Account		
Opening balance	32,479.92	32,479.92
Add :Addition during the year	-	-
Closing balance	**32,479.92**	**32,479.92**
(b) Debenture Redemption Reserve		
Opening balance	16.95	-
Add :Addition during the year	-	16.95
Closing balance	**16.95**	**16.95**
(c) Foreign Currency Monetary Item Translation Difference Account		
Opening balance	(76.46)	18.88
Add :Effect of foreign exchange rate variations during the year	12.33	(109.26)
Less : Amortisation for the year	(38.20)	(13.92)
Closing balance	**(25.93)**	**(76.46)**
(d) Actuarial gains or losses		
Opening Balance	(3.01)	(0.40)
Additions/(Deletions)	(0.06)	(2.61)
Closing balance	**(3.07)**	**(3.01)**
(e) Retained Earnings		
Opening Balance	(2,915.73)	(2,083.29)
Add: (Loss) / Profit for the year	(2,836.30)	1,164.78
	(5,752.03)	**(918.51)**
Less: Interim Dividend on Equity Shares(Refer Note 16.1)	-	1,645.32
Tax on dividend		334.95
Transfer to Debenture Redemption Reserve		16.95
Closing Balance	**(5,752.03)**	**(2,915.73)**
(f) Foreign Exchange Translation Reserve		
Opening Balance	92.35	(33.44)
Additions/(Deletions)	(11.35)	125.79
Closing	**81.00**	**92.35**
Total Other Equity	**26,796.84**	**29,594.02**

16.1
Notes
Pursuant to resolution passed by the board of directors on March 29, 2017 company had declared an interim dividend to its shareholders at Rs.9.35 per share amounting to Rs.1645.32 million and tax on dividend amounting to ₹ 334.95 million theron.

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.

Foreign Currency Monetary Item Translation Difference Account:
The Group adopted exemption under IndAS 101 to follow previous GAAP accounting for long term financial instruments outstanding as on trasition date. Hence Group accumulates the exchange difference arising out of long term foreign currency monetary item that does not pertains to acquisition of an asset to this account and amortises to profit or loss account over the period of the instrument.

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

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Note 17 Non-current borrowings

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Secured - at amortised cost				
i).Debentures(Refer Note.17.1)	4,979.90	4,973.12	-	-
ii). Term Loans(Refer Note.17.2)				
- From banks	49,142.53	38,402.50	49.32	3,431.84
-From Financial Instituion	6,596.71	6,214.94	6.61	436.75
iii). Buyers credit	-	8,177.41	-	-
Sub Total	**60,719.14**	**57,767.97**	**55.93**	**3,868.59**
Unsecured - at amortised cost				
i). Debentures from related party(Refer No.17.3)	4,365.01	3,762.94	-	-
ii).Term loan from related party(Refer No 17.4)	4,321.25	4,636.45	1,360.28	-
Sub Total	**8,686.26**	**8,399.39**	**1,360.28**	**-**
Total	**69,405.40**	**66,167.36**	**1,416.21**	**3,868.59**

Summary of borrowing arrangements

17.1.Non convertible debentures

Consequent to the approval of the Board of Directors of the parent Company at their meeting held on November 28, 2016, the parent Company has raised funds by way of private placement of 5,000 secured, unlisted, redeemable non convertible debentures having face value of ₹ 10,00,000 aggregating to ₹ 5000 million.Birla Sunlife Trustee Company Private Limited has subscribed for these debentures.The NCD has been raised based on the undertaking given by IL&FS Energy Development Company Ltd. Non convertible debentures carries a rate of interest of 9.80% p.a.

Debentures are redeemable at premium of 4.84% on its maturity, ₹ 2500 million on March 16, 2020 and ₹ 2500 million on March 14, 2021.

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) A first charge over all the immovable properties of the Holding Company including leasehold rights if any both the present & future.

(b) 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 moveable assets both present and future.

(c) A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising.

(d) 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.

(e) First Charge on all intangibles of the Borrower including but not limited to goodwill, rights undertakings and uncalled capital both present and future

(f) 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 Holding Company on the Project Documents (b) all rights, title and interest of the Holding Company under all Government Approvals (c) all rights, title, benefit, claims and demand whatsoever of the Holding 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 Holding Company in, to and under all Insurance Contracts / Insurance Proceeds.

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

(h) Pledge of 100% shares of IL&FS Maritime Offshore Pte limited and IL&FS offshore Natural Resources Pte limited held by the holding Company

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

Rate of interest:

As on 31.03.2018, 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

During the year the parent Company structured its debt through 5/25 scheme announced by the RBI. The revised debt repayment is over a period of 79 quarterly instalments from 31st December 2017.

Breach of Loan agreement

There is no breach of loan agreement

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17.3.Debentures from related party

The parent Company has issued 5,00,000 Zero percentage fully compulsorily convertible debentures(FCCD) having a face value of ₹ 10,000 to IL&FS Energy development company limited (IEDCL) amounting to ₹ 4900 million and to A S Coal Resources Pte Limited amounting to ₹ 100 million in the year 2014-15 . During the year 2015-16, ₹ 2600 million (including ₹ 100 million issued to AS Coal Resources Pte Limited) were converted. The said debentures were converted at a fixed price of ₹311.75 per share(83,40,016 shares of ₹ 10 each). During the year 2016-17, the parent company has revised the interest rate to 16% per annum with retrospective effect and the basis of conversion to variable number of equity shares based on the fair market value(FMV) as on the date of conversion, to be determined by a independent valuer.

17.4.Term Loan from related party

Consequent to the approval of the Board of Directors of the parent Company at their meeting held on March 23, 2017, the parent 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 4th year as first instalment, 30% of loan amount repayable at the end of 5th year as second instalment and the balance of 40% of loan amount repayable at the end of 6th year as third and final instalment.

Consequent to the approval of the Board of Directors of the parent Company at their meeting held on March 29, 2017, the parent 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. During the year the parent company has repaid ₹ 284.79 million.

Consequent to the approval of the Board of Directors of the parent Company at their meeting held on March 29, 2017, the parent 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.

Note 18:SHORT TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured - at amortised cost		
a. Short Term Loan		
- from Related parties(Refer Note 18.1)	885.60	333.49
Secured - at amortised cost		
a. Loan repayable on demand (Refer Note 18.1 & 18.2)	-	
- from banks	7,050.36	5,873.93
b. Others	-	
- Loan against Fixed deposit(Refer note no 18.4)	2,920.54	720.00
- Buyers Credit	1,358.61	1,025.01
	12,215.11	**7,952.43**

18.1. During the year the parent company has availed the following unsecured short term loans from its holding company IL&FS Energy Development Company Limited. Outstanding balance as on 31st March 2018 is given below.

Facility Amount	Rate of interest	Date of Loan taken	Outstanding balance as on 31st March 2018(₹ In million
123.60 million	16% p.a. compounding quarterly	11-Sep-17	24.54
123.60 million	16% p.a. compounding quarterly	12-Mar-18	120.82
314.05 million	NIL	19-Jan-18	314.05
290.00 million	NIL	28-Mar-18	290.00

18.2. Loans repayable on demand from banks represents cash credit facilities availed by the holding 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.

18.3. None of the short term borrowings are guaranteed by Directors

18.4.Interest on loan against FD

As on 31.03.2018, the loan against fixed deposit carries a rate of interest 6.7% per annum.

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Note 19 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	5,554.04	6,566.90
	5,554.04	**6,566.90**

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

Note 20: Other financial liabilities

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
At Amortised Cost				
(a) Current maturities of long-term debt(Refer Note.17.2 & 17.4)	-	-	1,416.21	3,868.59
(b) Interest accrued and but not due on borrowings	-	-	936.61	114.26
(c) Unclaimed dividends	-	-	-	141.86
(d) Payable for fixed asset	-	-	6,161.43	5,435.67
(e) Retention money payable	2,590.81	-	906.32	5,084.76
(f) Other Liabilities		-	-	
- Security Deposits Payable	-	-	0.26	1.00
- Employee Benefits Payable	-	-	0.84	42.47
- Others		-	3.72	-
At Fair Value		-		
(g) MTM Liability	-	-	28.20	326.51
	2,590.81	**-**	**9,453.59**	**15,015.12**

Note 21 Other liabilities

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
a. Advances payable	-	-	-	96.79
b. Statutory remittances (Contributions to PF& NPS , Withholding Taxes, Excise Duty, VAT, Service Tax,GST, etc.)	-	-	102.92	242.03
c. Dividend Distribution tax payable	-		-	334.95
d. Advances from Customers	-	-	169.80	-
deferred Government Grant	9,261.39	9,518.12	235.95	214.32
provision for Gratuity	-		1.05	
	9,261.39	**9,518.12**	**509.72**	**888.09**

Note 22: Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for compensated absences	16.14	13.09	1.49	1.75
	16.14	**13.09**	**1.49**	**1.75**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

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IL&FS TAMILNADU POWER COMPANY LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
All amounts are ₹ in million, unless otherwise stated

IL&FS | Energy

NOTE 23 Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Revenue from power supply	27,920.54	22,592.48
	27,920.54	**22,592.48**
(b) Other operating revenues		
- sale of by-product	32.57	14.57
- interest on overdue receivables	720.59	393.74
- Deferred income	235.10	167.65
	28,908.80	**23,168.44**

Note 24 Other Income

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss				
On deposits	356.62		347.17	
On Loan given to related Party	8.97		-	
On Long term financial liabilities	109.44		225.70	
		475.03		572.87
(b) Other gains or losses				
- Net gain on foreign currency transaction and translation		68.13		555.04
- Net gain on derecognition of financial liabilities measured at amortised Cost		380.43		
(c) Other non-operating income				
- Coal hedging Income		151.27		18.01
- Others*		420.60		14.43
		1,495.46		**1,160.35**

* Includes an amount of 420 million waived by one of the EPC contractor

NOTE 25 Cost of material consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Coal	18,062.72	12,408.69
(b) Oil	70.63	81.29
(c) Stores, spares and consumables	164.34	116.75
Total	**18,297.69**	**12,606.73**

NOTE 26 Other Direct Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Operation & Maintenance	537.10	798.12
(b) Railway freight & detention charges	7.31	3.84
(c) SRLDC Charges	508.06	242.04
(d) Others	46.14	36.09
Total	**1,098.61**	**1,080.09**

Note 27 Employee Benefit expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries, Wages and Bonus	224.86	213.89
(b) Contribution to Provident and Other Funds	13.58	6.16
(c) Staff Welfare Expenses	5.70	4.81
	244.14	**224.86**

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All amounts are ₹ in million, unless otherwise stated

IL&FS | Energy

Note 28 Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i) Interest costs;		
(a) Debentures	1,092.07	380.08
(b) Loans	7,820.50	6,957.67
(c) On long term financial liabilities	109.45	225.70
Less: interest capitalised	-	(2,272.99)
(ii) Other borrowing costs*	595.95	812.40
	9,617.97	**6,102.86**

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

Note 29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation/amortisation on		
a. Property, plant and equipment	2,780.95	1,938.81
b. Intangible assets	23.95	19.77
	2,804.90	**1,958.58**

Note 30 Other expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Power and Fuel		1.89		1.59
Rent		25.76		31.98
Repairs and Maintenance				
- Buildings	6.76		5.63	
- Others	63.63	70.39	41.73	47.36
Insurance		107.39		52.80
Rates and Taxes		22.47		24.23
Communication Expenses		1.10		1.01
Travelling and Conveyance		37.89		25.76
Printing and Stationery		0.85		0.64
Auditors' Remuneration(Refer Note.32)		7.30		3.72
Legal and Professional Expenses		316.94		276.19
Directors Sitting Fees		4.71		2.76
Green belt and Environmental Expenses		23.49		14.35
Security Expenses		72.30		39.69
Delay payment Charges on overdue payables		68.52		160.82
Corporate Social Responsibility expenditure		42.54		49.70
Provision for doubtful debts		363.74		-
Research and development expenses		5.12		-
Miscellaneous Expenses		7.84		11.07
		1,180.24		**743.67**

30.1. Income taxes relating to continuous operations

Particulars	2017-18	2016-17
Income tax recognised in profit or loss		
Current tax		
In respect of current year	-	449.83
Total income tax expense recognised in the current year relating to continuing operations	**-**	**449.83**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	2017-18	2016-17
(Loss)/Profit before tax from continuing operations	(2,380.38)	1,612.00
Income tax expense calculated at 21.342% (2016-17 - 21.342%)	-	344.03
Interest on tax for delayed payment	-	41.66
Loss from foreign subsidiaries which exempt from tax		64.14
Income tax expense recognised in profit or loss (relating to continuing operations)	**-**	**449.83**

The tax rate used for the FY 2017-18 and 2016-17 reconciliations above is the Minimum Alternate Tax(MAT) rate of 21.342% payable by the company cover under section 115JB of the Income Tax Act 1961.

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Particulars	Year ended March 31, 2018	Year ended March 31, 2017
31. Expenditure incurred for Corporate social responsibility	**42.54**	**49.70**
32. Payment to auditors		
(i) Audit Fees	6.45	2.50
(ii) Fees for other services	0.75	1.20
(iii) Reimbursement of out of pocket expenses	0.09	-
	7.29	**3.70**
33.1 Whole time Directors remuneration:		
Short-term benefits	15.69	17.87
	15.69	**17.87**

Note : Managerial remuneration above does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

33.2 Non Whole time Directors remuneration :		
Directors' sitting Fees	3.35	2.87
	3.35	**2.87**

34.Operating lease arrangements

34.1 Company as as Lessee
The Company has taken office premises on operating lease

35 Payments recognised as expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum Lease payments	25.76	31.98

36. Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	8.39	25.95
Later than 1 year and not later than 5 years	-	24.70
Later than 5 years	-	-
	8.39	**50.65**

37. PARTICULARS IN RESPECT OF STOCK

CLASSES OF GOODS	2017-18	2016-17
Raw material		
Fuel		
Coal(Including in transit stock)	2,856.74	1,882.07
High Speed Diesel Oil	23.35	25.05
High Speed Furnace oil	5.25	8.11
Lime Stone	27.26	16.92
Stores and spares		
Stores and spares	712.12	285.78
	3,624.72	**2,217.93**

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	Particulars	2017-18	2016-17
38	Estimated amount of capital commitments remaining to be executed net of advances	-	533.56
	Operational commitments remaining to be executed	201,032.29	173,794.98
39	Other monies for which the Company is contingently liable		
	(a) Bank Guarantee provided to customs department	9,752.90	9,752.90
	(b) Disputed income tax demand pertaining to AY 2011-12 as per the order of the AO under appeal before CIT(A)	19.47	19.47
	(c) Disputed income tax demand pertaining to AY 2014-15 as per the order of the AO under appeal before CIT(A)	80.70	-
	(d)Claims against the Company not acknowledged as debts	164.25	-

* Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities

40 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(2017-18)	Outside India(2017-18)	Total	In India(2016-17)	Outside India(2016-17)	Total
Segment Revenue	28,908.80	-	**28,908.80**	24,320.02	8.77	**24,328.79**
Segment Asset	141,518.73	575.82	**142,094.55**	141,417.36	800.07	**142,217.43**
Capital expenditure during the year	2,363.19	-	**2,363.19**	6,475.26	25.14	**6,500.40**
Total	**172,790.72**	**575.82**	**173,366.54**	**172,212.64**	**833.98**	**173,046.62**

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41.Employee benefit plans
A. Defined contribution plans
The Company makes Provident Fund contributions which is a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefit. The Company recognised ₹8.36 million for the year ended March 31, 2018 (P.Y: 31st March 2017 ₹7.59 million) for Provident Fund contributions in the Statement of Profit and Loss as Expenditure/capitalised as the case may be. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :
Gratuity:
In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2018 by Mr.K.Sriram, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method.The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:
Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in thevalue of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	**Gratuity (Funded)**	
	2017-18	**2016-17**
Present Value of obligations at the beginning of the year	15.08	9.08
Current service cost	4.92	3.55
Interest Cost	1.01	0.69
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	(0.32)	2.63
Benefits paid	(1.98)	(0.87)
Present Value of obligations at the end of the year	**18.72**	**15.08**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	13.48	12.22
Interest Income	-	-
Return on plan assets	1.09	0.99
Contributions from the employer	5.46	1.12
Benefits Paid	(1.98)	(0.87)
Actuarial (loss)/gain	(0.38)	0.02
Fair Value of plan assets at the end of the year	**17.67**	**13.48**
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	18.72	15.08
Fair value of plan assets at end of the year	17.67	13.48
Funded status of the plans – Liability recognised in the balance sheet	**1.05**	**1.60**
Components of defined benefit cost recognised in profit or loss		
Current service cost	4.92	3.55
Net Interest Expense	1.01	0.69
Past service cost	(1.09)	(0.99)
Net Cost in Profit or Loss	**4.84**	**3.25**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	(0.32)	2.63
Return on plan assets	0.38	(0.02)
Net Cost in Other Comprehensive Income	**0.06**	**2.61**
	March 31,2018	**March 31,2017**
Assumptions		
Discount rate	7.70%	7.20%
Expected rate of salary increases	6.50%	6.50%
Expected rate of attrition	3.00%	3.00%
Average age of members	36.40	35.90
Average remaining working life	15.20	15.40
Mortality (IALM (2006-2008) Ultimate)	100%	100%

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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 detemination of the defined benefit obligation are discount rate, 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 31,2018**	**March 31,2017**
Discount rate		
- 0.50% increase	17.78	14.28
- 0.50% decrease	(19.73)	(15.94)
Salary growth rate	-	-
- 0.50% increase	(19.76)	(15.96)
- 0.50% decrease	17.75	8.61

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 NA (PY:NA).

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) - 11.5 years(as on March 31, 2017-11.4 year)

c) Expected Benefit payments in the following years:

Year 1	0.43
Year 2	1.01
Year 3	0.75
Year 4	1.63
Year 5	1.41
Next 5Years	11.38

C. Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows

Assumptions	**2017-18**	**2016-17**
Discount rate	7.71%	7.20%
Attrition Rate	3%	3%
Expected rate of salary increases	6.50%	6.50%

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42. Earnings per Share:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Basic Earnings per share	(16.12)	6.62
Diluted Earnings per share	(16.12)	5.82

42.1 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.

(Loss)/ Profit after Taxation	(2,836.30)	1,164.78
Earnings used in the calculation of basic earnings per share	**(2,836.30)**	**1,164.78**
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	175.97	175.97
Add: Equity shares Issued During the year	-	-
Number of equity Shares of ₹ 10 each outstanding at the end of the year	175.97	175.97
(b) Weighted Average number of Equity Shares	175.97	175.97

42.2 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.

Earnings used in the calculation of basic earnings per share	**(2,836.30)**	**1,164.78**
Adjustments:	-	-
Earnings used in the calculation of diluted earnings per share	**(2,836.30)**	**1,164.78**

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:

Weighted average number of equity shares used in the calculation of basic earnings per share	175.97	175.97
Potential Equity shares to be issued		-
Fully convertible debentures*	-	24.24
Weighted average number of equity shares used in the calculation of diluted earnings per share	175.97	200.21

*The incremental shares on conversion of fully Convertible debentures(FCCD's) issued to IL&FS Energy Development Company Limited(IEDCL) and Infrastructure Leasing and Financial services Limited(IL&FS) were not included in the calculation of diluted earnings per share because they are antidilutive whereas during the previous year incremental shares on conversion of FCCD issued to IL&FS were only considered because they were diluting in nature.

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43. Related party disclosures (as identified by the Management and relied upon by the Auditors)

a. Ultimate Holding Company
1. Infrastructure Leasing & Financial Services Limited (IL&FS Ltd)

b. Holding Company
1. IL&FS Energy Development Company Limited (IEDCL)

c. Fellow Subsidiaries (with whom there are transactions during the year)
1. IL&FS Financial Services Limited
2. IL&FS Environmental Infrastructure Services Limited
3. IL&FS Maritime Infrastructure Company Limited
4. IL&FS Education and Technology Services Limited
5. IL&FS Engineering & Construction Company Ltd
6. Porto Novo Maritime Limited
7. IL&FS Cluster Development Initiative Limited
8. ISSL Settlement & Transaction Services Ltd
9. IL&FS Transportation Networks Limited
10. IL&FS Transportation Networks Pte Limited
11. IL & FS Technologies Limited
12. Livia India Limited
13. Saurya Ujra Company Rajastan Limited

d. Key Management Personnel
1. M .S. Srinivasan – Chairman cum Director

Nature of transactions/ balance outstanding with related parties

Particulars	Year ended March 31,2018	Year ended March 31,2017
Inter-company borrowings availed		
IL & FS Energy Development Company Limited	1,898.48	6,547.47
IL & FS Transport Network Limited	-	200.60
Inter-company borrowings repaid (with interest)		
IL & FS Energy Development Company Limited	103.98	6,563.42
IL & FS Transport Network Limited	200.60	-
Receipt of services		
IL & FS Energy Development Company Limited	249.41	210.67
Infrastructure Leasing & Financial Services Limited	123.86	147.95
IL & FS Financial Services Limited	277.39	293.81
IL&FS Environmental Infrastructure Services Limited	-	5.76
IL&FS Maritime Infrastructure Company Limited	1,435.31	1,425.53
IL&FS Education & Technology Services Limited	-	6.29
IL&FS Clusters Development Initiative Ltd	-	0.30
ISSL Settlement & Transaction Services Ltd	0.99	4.16
Porto Novo Maritime Limited	24.68	54.20
Livia India Limited	1.61	0.16
IL & FS Technologies Limited	0.30	0.15
Rendering of services		
IL & FS Energy Development Company Limited	4,905.36	2,252.71
IL&FS Environmental Infrastructure Services Limited	1.27	1.30
IL&FS Maritime Infrastructure Company Limited	0.92	1.17
Saurya Ujra Company Rajastan Limited	2.76	5.28
Porto Novo Maritime Limited	0.40	0.15
Additions to Capital Work in Progress		
IL&FS Maritime Infrastructure Company Limited	439.00	-
IL&FS Environmental Infrastructure Services Limited	250.00	-
IL&FS Environmental Infrastructure Services Limited	350.00	-
Dividend Paid		
IL & FS Energy Development Company Limited	-	1,503.46
Interest Income		
IL & FS Energy Development Company Limited	17.10	-
Interest Expense		
IL & FS Energy Development Company Limited	1,492.28	2,094.10
L&FS Transportation Networks Limited	18.78	5.95
Remuneration to key management personnel		
Salary		
M S Srinivasan	15.39	17.63
Sitting fees		
M S Srinivasan	0.30	0.24

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Particulars	As at March 31, 2018	As at March 31, 2017
Year-end payable balances		
IL & FS Energy Development Company Limited	145.33	219.09
Infrastructure Leasing & Financial Services Limited	862.49	490.81
IL&FS Education & Technology Services Limited	-	2.53
IL&FS Environmental Infrastructure Services Limited	5.19	6.05
IL&FS Financial Services Limited	286.12	248.65
Livia India Limited	0.53	0.10
IL&FS Technologies Limited	0.10	0.10
Porto Novo Maritime Limited	57.38	33.32
IL&FS Maritime Infrastructure Company Limited	1,634.12	1,339.04
IL&FS Transportation Network Limited	197.22	196.86
Year-end receivable balances		
IL & FS Energy Development Company Limited	29.41	1,604.11
IL&FS Environmental Infrastructure Services Limited	-	1.19
Porto Novo Maritime Limited	0.58	0.16
IL&FS Maritime Infrastructure Company Limited	1.53	0.54
Share Capital		
IL & FS Energy Development Company Limited	1,607.98	1,607.98
A S Coal Resources Pte Limited	151.72	151.72
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
Fully Compulsorily Convertible Debentures		
Infrastructure Leasing & Financial Services Limited	5,000.00	5,000.00
IL & FS Energy Development Company Limited	2,400.00	24,000.00
Inter-company borrowings received		
IL & FS Energy Development Company Limited	6,430.94	4,636.45
L&FS Transportation Networks Limited	-	200.60
L&FS Transportation Networks international Pte Limited	2.88	-
Loans & Advances		
Porto Novo Maritime Limited	1,003.50	1,003.50
Infrastructure Leasing & Financial Services Limited	6.88	7.79
IL & FS Energy Development Company Limited	327.13	-
Maritime International Offshore Pte Ltd	1.17	1.17
L&FS Transportation Networks international Pte Limited	-	190.65
Accrued Interest Payable		
IL & FS Energy Development Company Limited	2,778.19	1,375.15
L&FS Transportation Networks Limited	22.26	23.92
Infrastructure Leasing & Financial Services Limited	548.03	548.03

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44. Financial instruments

44.1 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.

The following table summarises the capital of the Group:

	As at 31 March 2018	As at 31 March 2017
Equity	**33,086.86**	**35,886.61**
Debt	83,036.72	77,988.38
Cash and cash equivalents	(32.60)	(485.70)
Net debt	**83,004.12**	**77,502.68**
Total capital (equity + net debt)	**116,090.98**	**113,389.29**
Net debt to capital ratio	0.71	0.68

44.2 Categories of financial instruments

	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Derivative instruments not designated in hedge accounting relationship	-	98.35
Measured at amortised cost		
(a) Cash and bank balances	4,790.94	4,712.15
(b) Other financial assets at amortised cost	15,314.95	16,612.31
Measured at cost		
(a) Investment in government securities	0.12	0.12
Financial liabilities		
Measured at amortised cost	99,190.74	95,375.30
Measured at fair value through profit or loss (FVTPL)	28.20	326.51

44.3 Financial risk management objectives

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 ₹ 83,036.72 million as on 31st March, 2018 and ₹ 77,988.38 million as on 31st March, 2017 and all other variables were held constant, the Company's profit for the year would increase or decrease as follows:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on Profit or Loss for the year	415.18	389.94

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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 $ 113.71 million as on 31st March, 2018 and $ 156.56 million as on 31st March, 2017, would have affected the Company's profit for the year as follows :

	Impact of change in USD to INR rate	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on Profit or Loss for the year	39.29	80.85

44.3.1 Foreign currency risk management
The Company is exposed to foreign exchange risk on account of following:
1. Imports
2. foreign currency borrowings in the form of Foreign Currency Non-Repatriable (B) loans (FCNRB), packing credit etc. availed for meeting its funding requirements

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 options) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.
The Company had entered into the swap contracts to hedge the interest and currency risks on the external commercial borrowings.

a. 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 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Outstanding value of buyer's credit(both hedged and	-	126.12	-	8,177.44
Outstanding value of retention money/ Liabilities in respect of project contracts	60.41	72.93	3,929.07	4,728.68
Payables towards purchase of raw material	53.30	51.76	3,466.59	3,356.05
Total	**113.71**	**250.81**	**7,395.66**	**16,262.17**

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

b. Foreign currency forward Contracts outstanding as at the Balance Sheet date:

	As at 31 March 2018		As at 31 March 2017	
	Buy	Sell	Buy	Sell
Forward contracts - Cash flow hedges				
USD	-	-	100.58	-
Number of contracts	-	-	46	-

The forward contracts have been entered into to hedge the currency on the external commercial borrowings by the Company .

	Currency	Cross currency	No. of contracts	Amount in foreign currency	Amount	Buy/Sell
Forward contracts						
As at 31 March 2018	USD	INR	-	-	-	Buy
As at 31 March 2017	USD	INR	46	100.58	6,521.40	Buy

The forward contracts have been entered into to hedge the currency on the external commercial borrowings and loans given by the Company .

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Foreign currency derivative contracts designated under hedging relationship
The Company has availed buyers credit facilities and have entered into Currency derivative contracts like Forward Contracts to hedge the foreign currency risk exposure. The economic relationship exists between the hedged item (buyers credit) and the hedging instrument (Forward Contracts) since both are taken on the same underlying i:e, USD / INR exchange rate.

Hedging instrument outstanding	Currency	As at 31.03.2018	As at 31.03.2017
Foreign Currency	USD Mn	-	94.25
Nominal amount	INR Mn	-	6,110.97
Average exchange rate	INR/USD	65.04	64.84
Carrying amount of hedging instrument at fair value [liability)]	INR Mn	-	309.78
Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	-	-
Change in fair value of hedging instrument capitalised as borrowing cost along with hedge Item	INR Mn	121.99	501.55
Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	0.03	15.09

C) Commodity price risk
The companies operating activities require the on-going purchase of coal and other fuel. This is affected by the price volatility of certain commodities of which a portion has been mitigated by commodity option contracts

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.

44.4 Liquidity risk management
The Company manages 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.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

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)	83,036.72	13,631.32	65,391.31	4,014.09	83,036.72
Trade Payables	5,554.04	5,554.04	-	-	5,554.04
Other Financail Liabilities	10,628.18	8,037.37	2,590.81	-	10,628.18
Total	**99,218.94**	**27,222.73**	**67,982.12**	**4,014.09**	**99,218.94**

The table below provides details of financial assets as at 31 March 2018:

Particulars	Carrying amount
Trade receivables	9,727.51
Other financial assets	10,378.50
Total	**20,106.01**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

Particulars	Carrying amount	upto 1 year	1-5 year	More than 5 year	Total contracted cash flows
Borrowings (including current	77,988.38	11,821.02	33,271.80	32,895.56	77,988.38
Trade Payables	6,566.90	6,566.90	-	-	6,566.90
Other Financail Liabilities	11,146.53	11,146.53	-	-	11,146.53
Total	**95,701.81**	**29,534.45**	**33,271.80**	**32,895.56**	**95,701.81**

The table below provides details of financial assets as at 31 March 2017:

Particulars	Carrying amount
Trade receivables	9,053.56
Other financial assets	12,369.36
Total	**21,422.92**

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44.5.Financial Instruments

1.Financial Assets and Financial Liabilities

Fair value of financial asset and financial liabilities that not measured at fair value (but fair value disclosure required)

Particulars	As at 31 March 2018			As at 31 March 2017		
	Amortised cost	Fair Value through profit or loss	Fair value	Amortised cost	Fair Value through profit or loss	Fair value
Financial assets						
Financial assets at amortised cost:						
- Trade receivables	9,727.51	-	9,727.51	9,947.97	-	9,947.97
- Cash and cash equivalents	32.60	-	32.60	485.70	-	485.70
- Bank balances other than cash and cash equivalents	4,758.35	-	4,758.35	4,226.45	-	4,226.45
- Investments	0.12	-	0.12	0.12	-	0.12
- Loans	-	-	-	193.64	-	193.64
- Other financial assets	5,587.44	-	5,587.44	6,470.69	98.35	6,569.04

Particulars	As at 31 March 2018			As at 31 March 2017		
	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	83,036.72	-	83,036.72	77,988.38	-	77,988.38
Trade payables	5,554.04	-	5,554.04	6,566.90	-	6,566.90
Other financial liabilities	10,599.98	28.20	10,628.18	10,820.02	326.51	11,146.53

Fair Value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures and mutual funds that have quoted price.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and non-convertible cumulative redeemable preference shares.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

Valuation technique(s) and key input(s):

Level 1 The fair value of financial instruments, if any is based on quoted price.

Level 2 Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The fair value of fully convertible debentures is based on discounted cash flow at a discount rate that reflects the current borrowing rate at the end of reporting period.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

Financial Asset	Fair value hierarchy as at 31st March, 2018			
	Level 1	Level 2	level 3	Total
Financial Assets at amortised cost				
Trade receivables	-	9,727.51	-	9,727.51
Investments	-	0.12		0.12
Cash & Cash equivalents & other bank balances	-	4,790.94	-	4,790.94
Other financial assets				
MTM on commodity contracts	-	-	-	-
Others	-	5,587.44	-	5,587.44
Total	-	20,106.01	-	20,106.01

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Particulars	Fair value hierarchy as at 31st March, 2018			
	Level 1	Level 2	level 3	Total
Financial liabilities				
Financial liabilities at amortised cost:				
Borrowings				
Bank loan	-	-	65,766.06	65,766.06
Sub debt from related party	-	-	6,567.13	6,567.13
Non convertible debentures	-	-	4,979.90	4,979.90
Fully convertible debentures to related party	-	4,365.01	-	4,365.01
Trade payables	-	5,554.04	-	5,554.04
Other financial liabilities				
MTM on derivative contracts	-	28.20	-	28.20
Others	-	10,599.98	-	10,599.98
Total	-	20,547.23	77,313.09	97,860.32

Financial Asset	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	level 3	Total
Financial Assets at amortised cost				
Trade receivables	-	9,947.97	-	9,947.97
Investments	-	0.12	-	0.12
Loans	-	-	193.64	193.64
Cash & Cash equivalents & other bank balances		4,712.15		4,712.15
Other financial assets	-		-	-
MTM on commodity contracts		98.35		98.35
Others		6,470.69		6,470.69
Total	-	21,229.28	193.64	21,422.92

	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	level 3	Total
Financial liabilities				
Financial liabilities at amortised cost:				
Borrowings				
Bank loan	-	-	63,257.38	63,257.38
Sub debt from related party			4,969.94	4,969.94
Fully convertible debentures to related party		3,762.94	-	3,762.94
Non convertible debentures	-	-	4,973.12	4,973.12
Trade payables	-	6,566.90	-	6,566.90
Other financial liabilities				
MTM on derivative contracts		326.51		326.51
Others		10,820.02		10,820.02
Total	-	21,476.37	73,200.44	94,676.81

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

46. Approval of financial statements
The consolidated financial statements were approved for issue by the board of directors on 12th May, 2018.

For and on behalf of the Board of Directors

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Maharudra Manohar Wagle
Director
DIN NO:02115124

Ashwani Kumar
Director
DIN NO:00910864

N K Balaji
Chief Financial Officer
Place:Mumbai
Date:12/05/2018

Priya Iyer
Company Secretary

IL&FS TAMIL NADU POWER COMPANY LIMITED
CIN: U72200TN2006PLC060330
Registered Office: 4th Floor, KPR Tower, Old No. 21, New No. 2, 1st Street,
Subba Rao Avenue, College Road, Chennai 600 006
Tel: 04430725550; Fax: 04430725551
Email: info@itpclindia.com; Website: www.itpclindia.com

Attendance Slip

(Please fill attendance slip and hand it over at the entrance of the meeting hall)

12th Annual General Meeting on Friday, 28th September, 2018 at 11.30 A.M.

Folio No………………………… DP ID ……………………… Client ID ……………………

Name & Address of the Member(s) ……………………………………………………………………
……………………………………………………………………

I hereby record my presence at the 12th Annual General Meeting of the Company held on Friday, 28th September, 2018 at 11.30 A.M. at 4th Floor, KPR Tower, Old No. 21, New No. 2, 1st Street, Subba Rao Avenue, College Road, Chennai 600 006

____
Signature of Shareholder / proxy

IL&FS TAMIL NADU POWER COMPANY LIMITED
CIN: U72200TN2006PLC060330
Registered Office: 4th Floor, KPR Tower, Old No. 21, New No. 2, 1st Street,
Subba Rao Avenue, College Road, Chennai 600 006
Tel: 04430725550; Fax: 04430725551
Email: info@itpclindia.com; Website: www.itpclindia.com

FORM MGT 11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio no./Client ID/DP ID: …………………………………………………………………………………………

Name of the Member : ……………………………………………………………………………………………

Registered Address: ……………………………………………………………………………………………

Email id: ………………………………………………………………………………

I/We, being the Member(s) of …………………………… shares of the above named Company, hereby appoint

1.Name	2. Name	3.Name
Address	Address	Address
Email id	Email id	Email id
Signature ……………………………………. or failing him	Signature ……………………………………. or failing him	Signature …………………………………….

as my/our proxy to attend and vote (on a poll) for me/us and on/my behalf at the 12th Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 11.30 A.M. at 4th Floor, KPR Tower, Old No. 21, New No. 2, 1st Street, Subba Rao Avenue, College Road, Chennai 600 006 and at any adjournment thereof in respect of such resolutions, as are indicated below:

S. No.	Resolution	For	Against
Ordinary Business:			
1	Adoption of Financial Statements together with the Reports of Board of Directors' and Auditors' thereon for the financial year ended 31st March, 2018		
2	Appointment of a Director in the place of Mr. Maharudra M Wagle (DIN 02115124) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
3	Appointment of Messrs S R Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration No.101049W/ E300004) as Auditors of the Company for a term of 5 (five) consecutive years		
4	Ratification of the remuneration of Mr. M Kannan, Cost Auditor		

Signed this …………….. day of …………….. 2018
Signature of Shareholder ……………………………
Signature of Proxy(s) of Shareholder ………………

Affix one Rupee Revenue Stamp

Note :

1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2) A Proxy need not be a member of the Company.
3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated