NTECL

15TH ANNUAL REPORT 2017-18

NTPC Tamilnadu Energy Company Ltd

(A Joint Venture of NTPC Ltd & TANGEDCO)

Reference Information

REGISTERED OFFICE

NTPC Bhawan, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110 003
Email: pnsntecl1@gmail.com
Web Site : www. ntpcntecljv.co.in
CIN: U40108DL2003PLC120487

JOINT VENTURE PARTNERS

1. NTPC Limited,
   NTPC Bhawan, SCOPE Complex,
   7, Institutional Area, Lodhi Road,
   New Delhi- 110 003

2. Tamil Nadu Generation and
   Distribution Corporation Limited
   (TANGEDCO)
   10th floor, NPKRR Maaligai,
   144, Anna Salai, Chennai - 600 002

BANKERS

1. **Corporation Bank,**
   Nungambakkam Branch, Gee Gee Emerald,
   1st Floor, 151, Village Road,
   Nungambakkam, Chennai 600034

2. **State Bank of India,**
   Corporate Accounts Group Branch-I
   11th Floor, Jawahar Vyapar Bhawan,
   1, Tolstoy Marg, New Delhi – 110001

AUDITORS

M/s S. Sonny Associates
Chartered Accountant

CHIEF EXECUTIVE OFFICER

Debasis Sarkar

CHIEF FINANCE OFFICE

Evani Sastry

COMPANY SECRETARY

Amit Garg

Board of Directors

Shri Prakash Tiwari
Part-Time Chairman

Shri Vikram Kapur
IAS, Part-Time Director

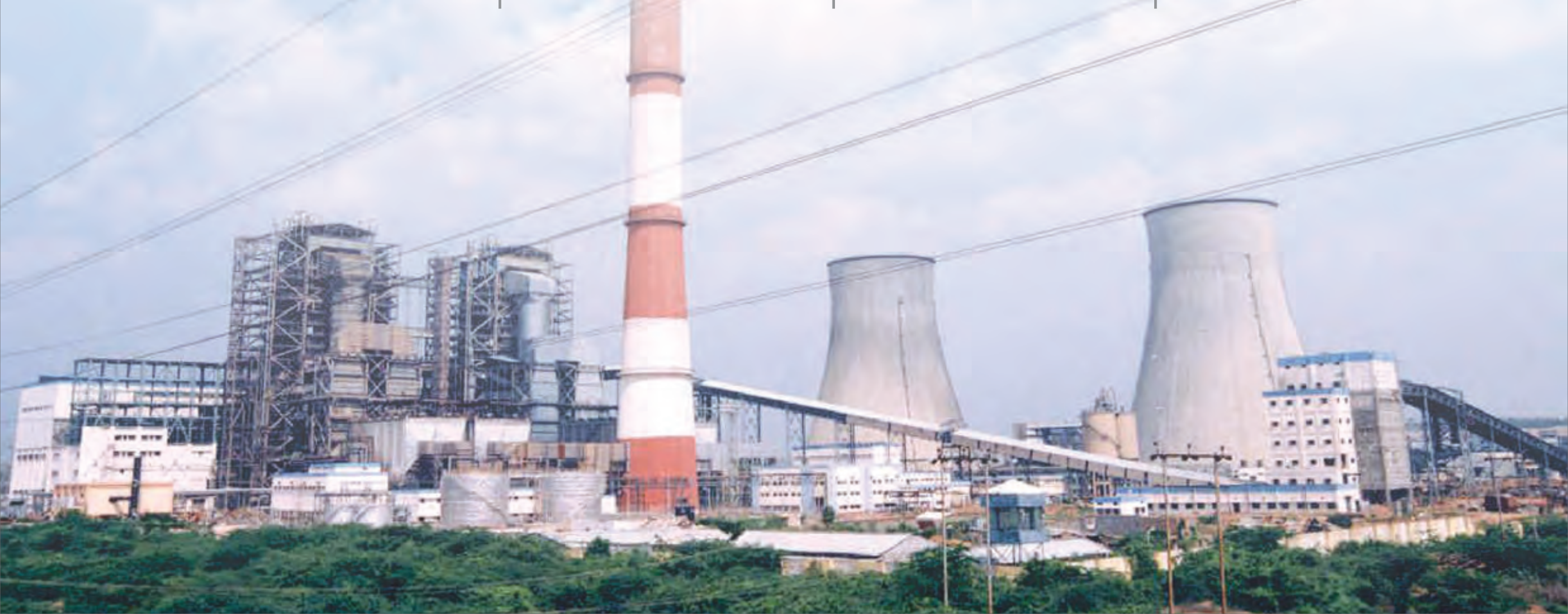
Shri D.K. Dubey
Part-Time Director

Smt. M. Maheswari Bai
Part-Time Director

Shri A N Sahay
Independent Director

Smt. S. Geetha
Part-Time Director

Shri C.V. Anand
Part-Time Director



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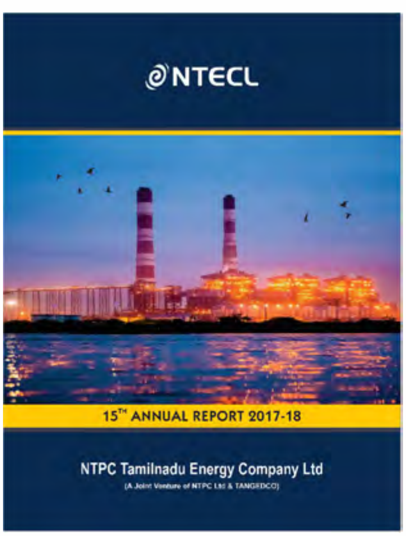

Content

NTPC Tamil Nadu Energy Company Limited

CIN: U40108DL2003PLC120487
Regd. Office: NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003
Tel. no.: 011-24369034 Fax: 011-24360241
Email: amit1106.acs@gmail.com Website: www.ntpcntecljv.co.in

NOTICE

NOTICE is hereby given that the **15th Annual General Meeting** of the Members of **NTPC Tamil Nadu Energy Company Limited** will be held on 14th **September, 2018 at 12.00 Noon at Registered Office of the Company at NTPC Bhawan,Core-7,SCOPE Complex,7,Institutional Area, Lodi Road, New Delhi-110003** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Smt. Mahadevan Maheswari Bai (DIN: 07160357), who retires by rotation and being eligible, offers herself for re-appointment.

3. To fix the remuneration of the Statutory Auditors for the year 2018-19.

SPECIAL BUSINESS:

4. To appoint Shri Prakash Tiwari (DIN: 08003157), as Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

> “Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri Prakash Tiwari (DIN: 08003157),who was appointed as an Additional Director by the Board of Directors with effect from 8th December,2017 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act,2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act,2013 signifying his intention to propose Shri Prakash Tiwari(DIN: 08003157) as a candidate for the office of a director of the Company, be and is hereby appointed as Director, liable to retire by rotation”

5. To appoint Shri C.V.Anand (DIN: 08087484), as Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

> “Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri C.V.Anand (DIN: 08087484),who was appointed as an Additional Director by the Board of Directors with effect from 10th April,2018 to hold office until the date of this Annual General

Meeting, in terms of Section 161 of the Companies Act,2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act,2013 signifying his intention to propose Shri C.V.Anand (DIN: 08087484) as a candidate for the office of a director of the Company, be and is hereby appointed as Director, liable to retire by rotation"

6. To ratify the remuneration of the Cost Auditors for the financial year 2018-19 and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s)], the Company hereby ratifies the remuneration of Rs.60,000/- (Rupees Sixty Thousand only) as approved by the Board of Directors payable to Cost Auditors to be appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 as per detail set out in the Statement annexed to the Notice convening this Meeting.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

By order of the Board of Directors

Sd/-
(Amit Garg)
Company Secretary

Place: New Delhi
Date: 24th August, 2018

Notes:-

1. The relevant explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses, as set out above is annexed hereto.

2. **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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**

   PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT,2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE

CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERSCENT 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. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.

3. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention to inspect is given to the company.

4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

5. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuance of Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The members of the Company, in 14th Annual General Meeting held on September 22, 2017, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2017-18. Accordingly, the Board of Directors has fixed audit fee of Rs. 2,25,000/- (Rupees Two Lakh Twenty Five Thousand only) for the Statutory Auditors for the Financial year 2017-18 in addition to applicable Goods and service tax(GST) and reimbursement of actual traveling and out-of-pocket expenses for visits to accounting units. The Statutory Auditors of the Company for the year 2018-19 have been appointed by the C&AG. Accordingly, the members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the year 2018-19.

6. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 A.M. to 1.00 P.M. prior to the Annual General Meeting.

7. None of the Directors of the Company is in any way related with each other.

8. Route map to the venue of the Annual General Meeting is enclosed.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 4

Shri Prakash Tiwari (DIN: 08003157) was appointed as Additional Director of the Company w.e.f. 08th December, 2017 to hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Shri Prakash Tiwari for the office of Director. Shri Prakash Tiwari, if appointed, shall be liable to retire by rotation.

Shri Prakash Tiwari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Prakash Tiwari is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 5

Shri C.V.Anand (DIN: 08087484) was appointed as Additional Director of the Company w.e.f. 10th April, 2018 to hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose Shri C.V.Anand for the office of Director. Shri C.V.Anand, if appointed, shall be liable to retire by rotation.

Shri C.V.Anand is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri C.V.Anand is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Item No. 6

Based on recommendation of Audit Committee, the Board of Directors in its meeting held on 24th August 2018 has approved the name of M/s B.V.S & Co, Cost Accountants, as Cost Auditor. The work was assigned to Cost Auditors and total fee of Rs. 60,000/- is payable for cost audit for the Financial Year 2018-19. The reimbursement of out of pocket expenses, applicable statutory taxes/ levies, filing fee shall be in addition to fees.

As per Rule 14 of Companies (audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2018-19.

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

The Board recommends the resolution for your approval.

By order of the Board of Directors

Sd/-
(Amit Garg)
Company Secretary

Place: New Delhi
Date: 24th August , 2018

BRIEF RESUME OF THE DIRECTORS SEEKING ELECTION/ RE- ELECTION:

Name	Shri Prakash Tiwari	Shri C.V.Anand
Date of Birth & Age	01.05.1960 58 years	01.07.1961 57 Years
Date of First Appointment in the Board	08.12.2017	10.04.2018
Qualifications	Mechanical Engineer from NIT Raipur	Post Graduated
Terms and Conditions of appointment or Re-appointment alongwith remuneration details	Part- time Chairman nominated by the JV Partner	Part- time Director nominated by the JV Partner
Expertise in specific functional area	He has an illustrious career spanning over 37 years of outstanding contribution in management of large size plants in the area of power plant operation & maintenance and in project construction as a Professional Manager, Strategic Planner and a Business Leader. He has led several initiatives for achieving operational excellence of Plants.	
Directorship held in other companies	1. NTPC Limited 2. Kanti Bijlee Utpadan Nigam Limited	1. NTPC Vidyut Vyapar Nigam Limited
Membership/ Chairmanship of Committees across all Public Companies held as on 31.3.2018 *	**NTPC Ltd** 1. Project Sub Committee-Member 2. Committee on Management Control -Member 3. Committee of Functional Director for Contracts-Member 4. Investment/Contribution Sub Committee -Member 5. Committee for Risk Management -Member 6. Committee for Risk Management -Member 7. Committee of the Board for Allotment and Post	Not Applicable

	Allotment-Member 8. Committee of Directors on Fuel Management and Development and Operation Coal Blocks-Member	
Attendance in Board Meetings till 31.3.2018	No. of Meetings held during his tenure – 2 No. of Meeting attended - 2	No. of Meetings held during his tenure –0 No. of Meeting attended -0
No. of shares held in the Company	100	100
Relationship with other Directors and KMP	None	None

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 15th Annual Report on the working of the Company together with Audited Financial Statements, Auditors' Report and Review by the Comptroller & Auditor General of India for the financial year ended on 31st March, 2018.

PERFORMANCE OF THE COMPANY

NTECL (NTPC Tamil Nadu Energy Company Ltd), a Joint Venture between NTPC Limited and TANGEDCO (Tamil Nadu Generation & Distribution Corporation Ltd) is having an installed capacity of 1500MW (3x500 MW) at Tiruvallur District in Tamil Nadu.

With the Commercial declaration of the last 500MW unit in Feb 2015, your Company has achieved the total capacity of 1500MW (3 X 500MW).

The brief highlights of the Company for the year ended on 31st March 2018 are as under:-

S.No.	Description	Units	2017-18	2016-17
1	Commercial Generation	MUs	7167.74	9210.851
2	Energy Sent Out (ESO)	MUs	6809.89	8564.247
3	Plant Load Factor (PLF)	%	54.55	70.10
4	Availability Factor (DC)	%	67.52	79.08
5	Auxiliary Power Consumption (APC)	%	7.85	7.02

Due to grid frequency & demand constraints, there was a backing down of 1616.12 MUs.

Your company has generated revenue of Rs. 3,576.15 Cr. in FY 17-18, with a profit after tax of Rs.33.45 Crore.

FINANCIAL REVIEW

The financial highlights of the Company for the year ended on 31st March 2018 are as under:-

(Rs. In crores)

Balance Sheet Items as at		**31.03.2018**	**31.03.2017**
Paid-up Share Capital	:	2819.99	2,771.21
Reserves and Surplus	:	(196.59)	(232.42)
Share Application Money Pending Allotment	:	5.61	24.39
Non-current liabilities	:	4562.26	4,994.70
Current liabilities	:	2641.45	3,011.65
Non-current assets	:	8000.17	8,204.41
Current assets	:	1826.86	2,362.12
Items from Statement of Profit and Loss for the year ended	:		
Total Revenue	:	3576.15	3,806.70
Total Expenses (incl. regulatory deferral a/c)	:	3528.48	3,552.43
Profit / (Loss) before Tax for the year		**47.67**	**254.27**
Tax		14.23	56.33

Profit / (Loss) after tax for the year	:	**33.44**	**197.94**
Weighted average number of equity shares used as denominator (Basic)		**281,61,77,566**	**2,73,01,16,334**
Weighted average number of equity shares used as denominator (Diluted)		**281,61,77,566**	**2,74,76,11,484**
Earnings per shares (Basic)		**0.17**	**0.93**
Earnings per shares (Diluted)		**0.17**	**0.93**
Face value per share		10.00	10.00

During the Year 17-18 Financial Statements have been prepared as per IND AS requirements .

INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and other regulations are as under:

(1) Conservation Of Energy, Technology Absorption, Foreign Exchange Earning & Outgo

LED lighting worth Rs. 1,67,06,390 is under implementation and Additional LED lighting amounting to Rs.3,95,12,100/- to be Delivered within a period of 3 months.

During the period under review, there was no earning in the foreign exchange. The outgo in foreign exchange was INR 305.49 Crore.

(2) Information on Number of Meetings of the Board held during the year:

During the year, four (4) Meetings of the Board were held on 23.06.2017, 22.09.2017, 22.12.2017, and 04.01.2018.The attendance of Directors in these Meetings are as under:

Date of the Meetings/ Name of the Directors	**23.06.2017**	**22.09.2017**	**22.12.2017**	**04.01.2018**
Shri Gurdeep Singh, Chairman (w.e.f. 23.06.2017)	Yes	Yes	Yes	Yes
Dr. M. Saikumar- IAS, Director	Yes	Yes	No	Yes
Shri K.K. Sharma, Director (Upto 31.10.2017)	Yes	Yes	NA	NA
Smt. M. Maheswari Bai, Director	Yes	Yes	Yes	Yes
Shri A.N. Sahay, Director	Yes	Yes	Yes	Yes
Shri V.B.Fadnavis, Director (Upto 31.7.2017)	Yes	NA	NA	NA
Smt. Shanmugasundaram Geetha (w.e.f. 23.06.2017)	Yes	No	No	Yes
Shri Kaza Ram Chandra Murty-Nominee Director (w.e.f 22.09.2017)	NA	Yes	Yes	Yes
Shri Prakash Tiwari (w.e.f. 08.12.2017)	NA	NA	Yes	Yes

Yes: Present
No: Leave of Absence
NA : Either the Director was not inducted or has ceased on the Board of the Company.

(3) Audit Committee

Your Company constituted the Audit Committee of the Board under requirement of section 177 of the Companies Act, 2013. As on 31st March 2018, the Committee comprises following members:

Shri A.N. Sahay	Chairman of the Committee
Smt. M. Maheswari Bai	Non-executive Director
Shri K R C Murty	Non-executive Director
Shri Prakash Tiwari	Non-executive Director

During the year, two (2) Meetings of the Committee were held on 23.06.2017, and 22.09.2017. The attendances of Directors in these Meetings are as under:

Date of the Meeting/ Name of the Director	23.06.2017	22.09.2017
Shri A.N. Sahay	Yes	Yes
Shri K.K. Sharma	Yes	Yes
Smt. M. Maheswari Bai	Yes	Yes
Shri K R C Murty (w.e.f 22.12.2017)	NA	NA
Shri Prakash Tiwari (w.e.f 22.12.2017)	NA	NA
Shri Gurdeep Singh (w.e.f 23.06.2017 to 22.12.2017)	NA	No

Yes: Present
No: Leave of Absence
NA: Indicates that the Director was not member of the Committee.

(4) Corporate Social Responsibility

Your Company constituted the Corporate Social Responsibility Committee of the Board under requirement of section 135 of the Companies Act, 2013. As on 31st March 2018, the Committee comprises following members:

Shri A.N. Sahay*	Chairman of the Committee
Smt. S.Geetha	Non-executive Director
Shri K R C Murty	Non-executive Director
Shri Prakash Tiwari	Non-executive Director

*** In 76th Meeting of Board of Directors held on 22.12.2017 it had been decided that Shri A.N.Sahay will be the Chairman w.e.f. 22.12.2017.***

During the year, two (2) Meetings of the Committee were held on 23.06.2017 and 22.09.2017. The attendances of Directors in these Meetings are as under:

Date of the Meeting/ Name of the Director	23.06.2017	22.09.2017
Shri Gurdeep Singh,Chairman	Yes	Yes
Shri A.N. Sahay (Chairman w.e.f. 22.12.2017)	Yes	Yes
Shri K.K.Sharma(upto 31.10.2017)	Yes	Yes
Smt. S.Geetha	Yes	No
Shri K R C Murty (w.e.f 22.12.2017)	NA	NA
Shri Prakash Tiwari (w.e.f 22.12.2017)	NA	NA

Yes: Present
No: Leave of Absence
NA: Indicates that the Director was not member of the Committee.

The average Net Loss of the Company made during the three immediately preceding financial years worked out to Rs. 33.25 Crore, hence no amount was required to be spent on CSR during the financial year 2017-18.

During the year the Company undertook the activities under CSR in and around the Vallur plant.

The Board of your Company in its 49th meeting held on 28.03.2012, gave approval for carrying out the CD/CSR activities at an estimated cost of Rs. 20,60,96,796.00/- over a period 4 years starting from year 2010-11.This was based on the initial socio- economic study carried out by Madras School of social work & the community need assessment survey for 10 villages done in Oct'09. Further in the 55th & 67th Board meetings, the following additional CD works were approved.

a. CD/CSR budget was revised to Rs.22,70,96,796.00/- to include the construction of a road linking NTECL's plant to Township under the Self Sufficiency Scheme of Tamil Nadu Government.
b. Contribution of fund of Rs. 25 Lakhs for tree plantation to Tiruvallur district.
c. Providing financial assistance for construction of class room of UNGC (Autonomous) college with an estimated value of 1 crore
d. Construction of Public Distribution Centre(PDS) at Velavan Nagar, VichoorPanchayat to the estimated value of Rs. 7.41 Lakhs

Subsequently, with the expansion of Chennai Corporation limits, 2 villages were deleted from the ambit of the CSR/CD works & the total CD-CSR budget for 8 villages surrounding Vallur TPS stands at Rs.24.03 Crore.

CD works completed in FY 16-17 is as below:

Sl.No.	Name of the Activity	Date	Amount (Rs. in Lakh)
1.	Issue of Godrej Table 2 Nos. & 20 Nos. of Godrej Chairs to RDO, Ponneri	11.04.16	0.75
2.	Eye camp for drivers at NTECL Office on 20.04.16	20.04.16	0.17
3.	Development of Green District at Tiruvallur for planting saplings in various areas in the district (15.09.16)	2016-17	25.00
4.	Biscuits to schools on Independence Day 16	2016-17	0.62
5.	Kondakarai-Kuruvimedu Township Road	2016-17	10.22
6.	Road culvert near AthipattuPudunagar Railway station	2016-17	21.17
7.	Public Utility buildings/AAQMS	2016-17	15.66
8.	Compound Wall for Panchayat Office Kondakarai	2016-17	10.67
Total			**84.26**

The total amount spent for CSR-CD works till 31.3.17 is Rs. 8.48 Crore.

CD works completed in FY 17-18 is as below:

Sl.No.	Name of the Activity	Date	Amount (Rs. in Lakh)
1.	Construction of concrete road and drain in Kondakarai Village under CSR Works.	30.11.2017	96.0
2.	Distribution of 5 nos. of scooters with side attachment chasis to 5 differently abled persons in Tiruvallur Dist.	02.12.2017	3.11

The total amount spent for CSR-CD works till 31.3.18 is Rs. 0.99 Crore.

(5) Nomination & Remuneration Committee

Your Company constituted the Nomination & Remuneration Committee of the Board under requirement of section 178 of the Companies Act, 2013. As on 31st March 2017, the Committee comprises following members:

Shri A.N. Sahay	Chairman of the Committee
Smt. M. Maheswari Bai	Non-executive Director
Shri K.R.C Murty	Non-executive Director
Shri Prakash Tiwari	Non-executive Director

During the year, three (3) Meetings of the Committee were held on 23.06.2017, 22.09.2017 and 22.12.2017. The attendances of Directors in these Meetings are as under:

Date of the Meeting/ Name of the Director	23.06.2017	22.09.2017	22.12.2017
Shri A.N. Sahay	Yes	Yes	Yes
Shri Gurdeep Singh, Director (w.e.f 23.06.2017 to 22.12.2017)	NA	Yes	Yes
Shri K.K. Sharma (up to 31.10.2017)	Yes	Yes	NA
Smt. M.Maheswari Bai	Yes	Yes	Yes
Shri K R C Murty (w.e.f 22.12.2017)	NA	NA	NA
Shri Prakash Tiwari (w.e.f 22.12.2017)	NA	NA	NA

Yes: Present
No: Leave of Absence
NA: Indicates that the Director was not member of the Committee.

The terms of reference of Nomination and Remuneration Committee includes the following:-

i. to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
ii. to identify persons who may be appointed in Senior Management
iii. to carry out evaluation of every Director's performance and recommend to the board his/her appointment and removal based on the performance.

As the performance evaluation of Directors nominated by NTPC Ltd and TANGEDCO are carried out by respective promoter / Ministry, therefore the scope of committee was restricted accordingly.

(6) Statutory Auditors

As per the provisions of the 139 of the Companies Act, 2013, the Statutory Auditors of the Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s S.SONNY ASSOCIATES, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India. The Statutory Auditors have given their unqualified report on the financial statements of the Company and there was no adverse remark or comments in their report.

Further, M/s S.SONNY ASSOCIATES, Chartered Accountants, Chennai has been appointed as Statutory Auditors of the Company for the financial year 2018-19 by the Comptroller & Auditor General of India.

(7) Management comments on Statutory Auditors Report

Nil

(8) Review of accounts by Comptroller & Auditor General of India

The Comptroller & Auditor General of India (C&AG), through letter dated 23.07.2018, has given 'Nil' comments on the financial statements of your Company for the year ended on 31.03.2018.

(9) Cost Auditor

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by the Company.

Your Company appointed M/s V.P.Gupta & Co., Cost Accountants as Cost Auditors under Section 148(3) of the Companies (Audit & Auditors) Rules, 2014 for the financial year 2017-18.

The Cost Audit Report for your Company for the financial year ended 31.03.2017 was filed with the Central Government on 26.09.2017. The Cost Audit Report for the financial year ended March 31, 2018 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

(10) Events Subsequent to the date of Financial Statements

No material change and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate, and the date of this report.

(11) Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annex- A** to this Report.

(12) Performance Evaluation of the Directors and the Board

As required under the Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors/ Board/ Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors.

As per the Articles of Association of NTECL, all the Directors are nominated by NTPC and TANGEDCO. The Directors nominated by NTPC or TANGEDCO are being evaluated under a well laid down procedure for evaluation of Functional Directors & CMD as well as of Government Directors by Administrative/respective Ministry.

(13) Secretarial Audit

The Board has appointed M/s A. Kaushal & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is attached as **Annex- B** to this Report.

(14) Particulars of contracts or arrangements with related parties

As per the requirement of Section 188(2) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, there is no Contract with related parties during the financial year therefore, disclosure of particulars of contracts or arrangements are required to be made.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is applicable. The transactions with related parties are disclosed in the Note No.33 to the Accounts of the Company as per Ind AS-24 (Related Party Disclosures)

(15) Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

Brief of NTECL Tariff order dated 11.07.2017 in petition no. 277/GT/2014

S.No	Particulars	Rs. Cr.	Rs. Cr./MW
1	Capital Cost Allowed by CERC as on COD of U#3(26.02.2015)	7817.37	5.21
2	Capital cost disallowed	454.79	

a) Final tariff order for 2009-14 published on 18.04.17.NTECL filed a petition in Appellate Tribunal against the CERC order; next hearing on the appeal is on 07.08.2018.

b) CERC tariff order for the 2014-19 period published with HR norm of 2351.25kcal/kwh. NTECL filed a miscellaneous petition for relaxation on HR to 2375 kcal/kwh. Petition rejected by CERC vide order dated 25.04.2018.

c) Petition for relaxation of NAPAF for 2017-18 and 2018-19 to 83% from 85% filed on 20.02.18. Petition for cut-off date extension (upto 31.03.2019) filed on 21.02.18. Hearing scheduled, date not published.

(i) Zero Date and Time Overrun:

LOA Date	Unit	Time Considered by CERC from Main Plant award	Actual COD	Scheduled Date of Commercial Operation	Time Overrun claimed (in months)	Time Overrun disallowed (in months)
28.07.2009	U#3	42 months	26.02.2015	27.01.2013	25.0m	7.0 m

(ii) Other issues:

	Issues	Description		
1.	**Capital Cost not allowed**	**Rs.454.79 cr.** **Allowed Rs. 7817.37 cr. on COD**		**Rs. Cr.**
			IDC- due to delay	54.74
			IEDC	15.2
			Notional IDC	8.05
			Pro rata reduction in 2 packages	0.51
			Unexplained Gap	376.29
			Total	**454.79**
	Time Overrun	**Unit-1**	**7 m**	
	Reasons not Considered	.Delay of 11 months (out of 13 months) from the date of erection to the synchronization of Unit-Ill, has been condoned due to natural calamities i.e. cyclone JAL in November,2010 and THANE in December, 2011		
		Out of the delay of 12 months from the date of synchronisation to the actual. COD of Unit-Ill due to non completion of CHP work, failure of CW pump and excessive vibration in turbine shaft, a period of 7 months has been condoned.		

(iii) <u>Annual Fixed Charges (Rs. Cr):</u>

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
AFC claimed	1133.82	170.96	2010.16	2084.39	2108.91	2093.37
AFC allowed by CERC	1117.63	158.06	1762.64	1832.26	1859.59	1847.69
AFC disallowed	**16.19**	**12.9**	**247.52**	**252.13**	**249.32**	**245.68**

(iv) <u>Operational norms (2014-19):</u>

	Claimed	Allowed	REMARKS
NAPAF(%)	83	83/85	
ReGross Station Heat Rate (kCal/kWh)	2375	2351.25	
APC (%)	6.69%	6.69%	Extra APC of 0.94% allowed
Sp. Oil Consumption (ml/kWh)	0.5	0.5	
Additional O&M Expenses	441 lacs/year	441 lacs /year	With applicable O&M escalation rate

(16) Adequacy of internal financial controls with reference to the financial statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

(17) Particulars of Employees

As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every company is required to include a statement in the Board's Report giving details of remuneration received by the employee who was in receipt of remuneration of Rs. 1.02 crore or more per year, if employed throughout the year and details of remuneration received by the employee who was in receipt of remuneration of Rs. 8.50 lac or more per month, if employed for part of the year. During the year, no employee of the Company was in receipt of remuneration exceeding the prescribed limit of Rs. 1.02 crore or more per year. However, following employees employed for part of the year were in receipt of remuneration of Rs. 8.50 lac or more per month which includes superannuation benefits like gratuity, earned leaves encashment, etc.

S.NO	Employees Number	Name of the Employees	Gross Amount (Rs.)	Remarks
1.	11937	Subbaianasari Sukumaran	2618503.49	The employees were superannuated on 30.04.2017.
2.	60861	Bodempudi Saratbabu	3629715.60	

Details of employees of the category falling under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014, as amended vide notification dated 30th June 2016, is enclosed as **Annexure-C**.

(18) Issue of Shares in the Financial Year:

During the year under review, the Company issued 4,87,80,000 Equity shares of Rs 10/- each to NTPC and TANGEDCO.

(19) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(20) Establishment of vigil mechanism/ whistle blower policy

The Board of Director of your Company has approved the Whistle Blower Policy as required under Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(21) Particulars of Loans, Guarantees or Investments under Section 186

The Company has not granted any loans, given any guarantee or made any investments under Section 186 of the Companies Act, 2013 during the year.

(22) Fixed Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing details of deposits, which are not in compliances with Chapter V of the Act, is not applicable.

(23) The Company has no subsidiary or joint venture

(24) Dividend: The Company has not declared any dividend during the year.

(25) Sexual Harassment of Women at Workplace

The Company has Zero tolerance for Sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder of NTPC.

Under the provision of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no case of Sexual Harassment has been reported.

(26) Declaration of Independent Director:

Independent Director has given the declaration that he meets the criteria of Independence as per the provisions of the Companies Act, 2013.

(27) Statistical Information on Reservation of SCs/ STs for the year 2017-18:
Most of the Employees are from Deputation from NTPC and there are only five employees on the roll of NTECL and they are not SCs/STs.

(28) Information on Differently Abled Persons:
With a view to focus on its role as a socially responsible organisation, NTECL has endeavored to take responsibility for adequate representation of Differently abled persons (DAPs) in its workforce.
The detail is given as under:

S.No	Name	Emp. No	Grade	Department
1.	R.Bramananthan	062012	E2	C&I-Maint
2.	T.S.K.Vijayraghvan	055243	W5	HR
3.	A.Thiruvengadam	95611	W5	HR
4.	K.Mohideen	102525	E3	Operation
5.	Shankariah Sivcilla	032176	E2	T/ship Elec.

(29) Details in respect of frauds reported by auditor under section 143(12) other than those which are reportable to the Central Government. :
Nil

(30) Amount (if any) which it proposes to carry to any reserves:
Nil

(31) Material change & commitments, if any, affecting the financial of company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. :
Nil

(32) A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company:

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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 2017-18 and of the profit of the company for that period;
3. 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;
4. the Directors had prepared the Annual Accounts on a going concern basis; and
5. the directors had devised proper systems to ensure compliance with the provisions of all

applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

Presently, the Board of Directors of the Company comprises Shri Prakash Tiwari, Chairman, Shri Vikram Kapur, Shri A.N. Sahay, Smt. M. Maheswari Bai, Smt. S. Geetha, Shri C.V.Anand and Shri D.K..Dubey as Directors.

Change in Board of Directors/KMPs

Following changes have been occurred in the Board of Directors of the Company since last Annual General Meeting dated 22nd September 2017:

a) Shri Prakash Tiwari has been appointed as Additional Director w.e.f. 08.12.2017 in place of Shri K.K.Sharma who ceased to be Director w.e.f. 31.10.2017 due to attaining the age of superannuation.
b) Due to change of Nomination by NTPC, Shri Gurdeep Singh ceased to be director w.e.f. 06.04.2018 and Shri C.V Anand appointed as Additional Director w.e.f 10.04.2018 in place of Shri Gurdeep Singh.
c) Due to change of Nomination by TANGEDCO, Shri M.Sai Kumar ceased to be Nominee Director w.e.f. 10.04.2018 and Shri Vikram Kapur appointed as Nominee Director w.e.f 10.04.2018 in place of Shri M.Sai Kumar.
d) Shri D.K.Dubey has been appointed as Nominee Director w.e.f 24.05.2018 in place of Shri K.R.C Murty who ceased to be director w.e.f. 03.05.2018.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Gurdeep Singh,Shri M.Sai.Kumar and Shri K.R.C.Murty during their association with the Company.

As per the provisions of the Companies Act, 2013, Ms. M.M Bai, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by the Union Ministry of Power, Government of Tamil Nadu, NTPC Limited., TANGEDCO, other agencies of Govt. of India/ Govt. of Tamil Nadu, Auditors and the Bankers of the company.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees of the Company at all level.

For and on behalf of the Board of Directors

Sd/-
Prakash Tiwari
(Chairman)
DIN: 08003157

PLACE: New Delhi
DATE: 24th August, 2018

Annexure -A

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:

i)	CIN	:	U40108DL2003PLC120487
ii)	Registration Date	:	23.05.2003
iii)	Name of the Company	:	NTPC TAMIL NADU ENERGY COMPANY LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company / Non-Government Company
v)	Address of the Registered office and contact details	:	NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 Ph. No.: 011-2438-7337 Fax No.: 011-24360241 E-mail: amit1106.acs@gmail.com
vi)	Whether listed company Yes / No	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Not Applicable

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:-

Sl. No.	**Name and Description of main products/Services**	**NIC code of the Product/service**	**% to total turnover of the Company**
1	Generation of Electricity	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.No.	**Name and address of the Company**	**CIN/GLN**	**Holding/ Subsidiary/ Associate**	**% of shares held**	**Applicable Section**

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

i) Category-wise Share Holding

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total shares**	**Demat**	**Physical**	**Total**	**% of Total shares**	
A. Promoters									
(1) **Indian**									
a)Individual/ ~~HUF~~	-								
(i) As Nominee of NTPC		300	300	0.00	-	300	300	0.00	-
(ii) As Nominee of Tamilnadu Generation & Distribution Corporation Limited	-	300	300	0.00	-	300	300	0.00	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corp.									

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	
NTPC Limited	-	138,56,05,812	138,56,05,812	50%	-	140,99,95,812	140,99,95,812	50%	-
Tamil Nadu Generation & Distribution Corporation Limited	-	138,56,05,812	138,56,05,812	50%	-	140,99,95,812	140,99,95,812	50%	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**277,12,12,224**	**277,12,12,224**	**100%**	-	**2819992224**	**2819992224**	**100%**	-
(2) **Foreign**									
a)NRIs- individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + A(2)	-	**2771212224**	**2771212224**	**100%**	-	**2819992224**	**2819992224**	**100%**	-
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)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a)Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
i)Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-

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	
Grand Total (A+B+C)	-	**2771212224**	**2771212224**	**100%**	-	**2819992224**	**2819992224**	**100%**	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in the shareholding during the year
1.	NTPC Limited	1385606112	50%	-	1409995812	50%	-	-
2.	Tamil Nadu Generation & Distribution Corporation Limited	1385606112	50%	-	1409995812	50%	-	-
3.	Nominees of NTPC	300	0.00	-	300	0.00	-	-
4.	Nominees of Tamil Nadu Generation & Distribution Corporation Limited	300	0.00	-	300	0.00	-	-

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

Sl 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
	At the beginning of the year	**2771212224**	100%	**2771212224**	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	Allotment made on 22.09.2017	48780000	100%	**2819992224**	100%
	At the End of the year	**2819992224**	100%	**2819992224**	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of Top 10 shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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 (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Shri Gurdeep Singh** **Chairman & Nominee of NTPC**				
	At the beginning of the year	0.00	0.00	0.00	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): Transfer from Shri K. Biswal on 23.06.2017	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
2.	**Dr. M. Sailkumar- IAS** **Director & Nominee of TANGEDCO**				
	At the beginning of the year	100	0.00	100	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).	Nil	0.00	Nil	0.00
	At the End of the year	100	0.00	100	0.00
3.	**Shri K.R.C. Murty** **Director & Nominee of NTPC**				
	At the beginning of the year	0.00	0.00	0.00	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): Transfer from Shri V.B. Fadnavis on 22.9.2017	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
4.	**Shri Prakash Tiwari** **Director & Nominee of NTPC**				
	At the beginning of the year	0.00	0.00	0.00	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) : Transfer from Shri K.K.Sharma on 31.10.2017	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
5.	**Smt. S.Geetha** **Director & Nominee of TANGEDCO**				
	At the beginning of the year	Nil	0.00	Nil	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): Transfer from Smt. M.A. Helen on 23.06.2017	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00
6.	**Smt. M. Maheswari Bai** **Director & Nominee of TANGEDCO**				
	At the beginning of the year	0.00	0.00	0.00	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): Transfer from Shri S. Sekkizhar on 09.08.2016	100	0.00	100	0.00
	At the End of the year	100	0.00	100	0.00

V. INDEBTEDNESS

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	69,43,87,49,465	0	**0**	69,43,87,49,465
ii) Interest due but not paid	0	0	**0**	0
iii) Interest accrued but not due	**6,63,81,148**	0	**0**	**6,63,81,148**
Total (i + ii + iii)	69,50,51,30,613	0	**0**	69,50,51,30,613
Change in Indebtedness during the financial year				
- Addition	0	0	**0**	0
- Reduction	5,25,38,50,355	0	**0**	5,25,38,50,355
Net Change	5,25,38,50,355	0	**0**	5,25,38,50,355
Indebtedness at the end of the financial year				
i) Principal amount	64,18,48,99,110	0	**0**	64,18,48,99,110
ii) Interest due but not paid	0	0	**0**	0
iii) Interest accrued but not due	4,17,85,226	0	**0**	4,17,85,226
Total (i + ii + iii)	64,22,66,84,336			64,22,66,84,336

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors Shri A.N. Sahay	Total Amount
	1. Independent Directors • Fee for attending Board / committee meetings • Commission • Others, please specify	2,20,000 - -	2,20,000 - -
	Total (1)	2,20,000	2,20,000
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	- -	-
	Total (2)	- -	-
	Total (B) = (1 + 2)	**2,20,000**	**2,20,000**
	Total Managerial Remuneration	**2,20,000**	**2,20,000**
	Overall Ceiling as per the Act	-	-

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

Sl. No.	Particulars of Remuneration	Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
		Key Managerial Personnel					
		CEO	CEO	CEO	Co. Sec.	CFO	Total
		(Shri M Krishna Siva Rama)%	(Shri C.V.Anand)#	(Shri Debasis Sarkar)^	(Shri Amit Garg)	(Shri Evani Sastry)	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	32,63,679	44,69,170	45,48,570	20,87,048	34,45,354	178,13,821
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	295,103	346,581	350,385	83,640	5,54,956	16,30,665
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-

3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of Profit	-	-	-	-	-	-
	- others (specify)	-	-	-	-	-	-
5	Others please specify	-	-	-	-	-	-
	Total	**35,58,782**	**48,15,751**	**48,98,955**	**21,70,688**	**40,00,310**	**194,44,486**

CEO: % Shri M Krishna Siva Rama (up to 9.09.2017) and #Shri C V Anand (up to 11.12.2017 and ^Shri D.Sarkar w.e.f 12.12.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors

Sd/-
(Prakash Tiwari)
Chairman
DIN: 08003157

PLACE: New Delhi
DATE: 24th August, 2018

A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES
A-308, LGF, Defence Colony, New Delhi - 110024

SECRETARIAL AUDIT REPORT
For the financial year ended on 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
NTPC Tamil Nadu Energy Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"NTPC TAMIL NADU ENERGY COMPANY LIMITED"** (Corporate Identity Number U40108DL2003PLC120487) (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 **NTPC TAMIL NADU ENERGY COMPANY LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 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 financial year ended on 31st March, 2018, according to the provisions of:

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

ii) As explained by the management, there is no law which is specifically applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above subject to the following observations under Companies Act, 2013 (the Act) and rule made there under:

1. *The Company has not complied the provisions of Section 149 (4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to requisite number of Independent Directors on its Board.*

   However, after notification of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5th July, 2017, unlisted public company, which is a Joint Venture, is not required to have Independent Director.

2. *The Audit Committee of the Board of Directors of Company consists of 4 (Four) Directors out of which there is only one Independent Director which is not in accordance with the provisions of Section 177 (2) of the Act.*

3. *The Nomination and Remuneration Committee of the Board of Directors of Company consists of 4 (Four) Non-Executive Directors out of which there is only one Independent Director which is not in accordance with the provisions of Section 178 (1) of the Act.*

4. *The Company has made allotment of Equity Shares on Right basis to existing shareholders on 22nd September, 2017. However, the allotment of such equity shares was not made within 60 days from the date of receipt of money.*

5. *Minutes of meetings of Board of Directors does not contain noting of minutes of meetings of its Committees as required under Para 7.2.2.1 (h) of SS-1.*

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors, however, the number of Independent Directors was below the limit as required under the provisions of the Act during the year under review. The Changes in the Compositions of the Board of Directors that took place during the period under review were carried out in Compliance with the provisions of the Act.

Adequate notice has been given to all Directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline 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.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

We further report that, during the audit period, the Company has not carried out any specific anent/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. NEW DELHI C.P. No-6663 KAUSHAL & ASSOCIATES COMPANY SECRETARIES

PLACE: NEW DELHI
DATE: 07/08/2018

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663

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

Annexure-I

To
The Members
NTPC Tamil Nadu Energy Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110 003

Our report of even date is to be read along with this letter:

1. Management of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 that 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 appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

Amit Kaushal.

PLACE: NEW DELHI
DATE: 07/08/2018

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663

Annexure – C

Details of employees of the category falling under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014, as amended vide notification dated 30th June 2016

S.NO	Employees Number	Name of the Employees	Gross Amount (Rs.)	Remarks
1.	3406	Suvash Chandra Naik	5793257.26	
2.	1642	Puthanpura Sivaraman Unnikrishnan Nair	5920422.11	
3.	3515	John Cherian	6215872.42	
4.	2819	D Muralidharan	6236898.85	
5.	20313	S P Muthu Krishnan	6352939.76	
6.	3002	K S Ramaswamy	6359649.77	
7.	5516	K C Muraleedharan	6427737.50	
8.	2410	Dileepan P	6468537.62	
9.	4512	Rajesh Bharadwaj	6486483.01	
10.	2361	George V S	6707348.76	

A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES
A-308, LGF, Defence Colony, New Delhi - 110024

SECRETARIAL AUDIT REPORT
For the financial year ended on 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
NTPC Tamil Nadu Energy Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"NTPC TAMIL NADU ENERGY COMPANY LIMITED"** (Corporate Identity Number U40108DL2003PLC120487) (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 **NTPC TAMIL NADU ENERGY COMPANY LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 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 financial year ended on 31st March, 2018, according to the provisions of:

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

ii) As explained by the management, there is no law which is specifically applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above subject to the following observations under Companies Act, 2013 (the Act) and rule made there under:

1. *The Company has not complied the provisions of Section 149 (4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to requisite number of Independent Directors on its Board.*

   However, after notification of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5th July, 2017, unlisted public company, which is a Joint Venture, is not required to have Independent Director.

2. *The Audit Committee of the Board of Directors of Company consists of 4 (Four) Directors out of which there is only one Independent Director which is not in accordance with the provisions of Section 177 (2) of the Act.*

3. *The Nomination and Remuneration Committee of the Board of Directors of Company consists of 4 (Four) Non-Executive Directors out of which there is only one Independent Director which is not in accordance with the provisions of Section 178 (1) of the Act.*

4. *The Company has made allotment of Equity Shares on Right basis to existing shareholders on 22nd September, 2017. However, the allotment of such equity shares was not made within 60 days from the date of receipt of money.*

5. *Minutes of meetings of Board of Directors does not contain noting of minutes of meetings of its Committees as required under Para 7.2.2.1 (h) of SS-1.*

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors, however, the number of Independent Directors was below the limit as required under the provisions of the Act during the year under review. The Changes in the Compositions of the Board of Directors that took place during the period under review were carried out in Compliance with the provisions of the Act.

Adequate notice has been given to all Directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline 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.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

We further report that, during the audit period, the Company has not carried out any specific anent/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. NEW DELHI C.P. No-6663 KAUSHAL & ASSOCIATES COMPANY SECRETARIES

PLACE: NEW DELHI
DATE: 07/08/2018

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663

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

Annexure-I

To
The Members
NTPC Tamil Nadu Energy Company Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110 003

Our report of even date is to be read along with this letter:

1. Management of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 that 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 appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

FOR A. KAUSHAL & ASSOCIATES
COMPANY SECRETARIES

A. KAUSHAL & ASSOCIATES
NEW DELHI
C.P. No-6663
COMPANY SECRETARIES

Amit Kaushal.

PLACE: NEW DELHI
DATE: 07/08/2018

CS AMIT KAUSHAL
FCS- 6230, CP No.- 6663

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment	2	**7,652.79**	7,819.05
(b) Capital work-in-progress	3	**295.40**	366.07
(c) Intangible assets	2	**5.68**	5.36
(d) Financial Assets			
(i) Loans	4	**0.06**	0.05
(ii) Other financial assets	4	**-**	4.33
(e) Other non-current assets	5	**46.24**	9.55
Total non-current assets		**8,000.17**	8,204.41
(2) Current assets			
(a) Inventories	6	**471.96**	516.64
(b) Financial assets			
(i) Trade receivables	7	**895.44**	1,242.47
(ii) Cash and cash equivalent	8	**6.59**	71.48
(iii) Loans	9	**0.05**	0.05
(iv) Other financial assets	10	**312.11**	391.61
(c) Other current assets	11	**140.71**	139.87
Total current assets		**1,826.86**	2,362.12
(3) Regulatory deferral account debit balances	12	**5.69**	3.00
TOTAL ASSETS		**9,832.72**	10,569.53
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**2,819.99**	2,771.21
(b) Other equity	14	**(196.59)**	(232.42)
(c) Share Application money pending allotment	15	**5.61**	24.39
Total equity		**2,629.01**	2,563.18
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**4,560.78**	4,993.50
(ii) Trade payables	17	**-**	-
(iii) Other financial liabilities	18	**1.29**	1.02
(b) Provisions	19	**0.19**	0.18
(c) Deferred tax liabilities (net)	19A	**-**	-
Total non-current liabilities		**4,562.26**	**4,994.70**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	**1,424.99**	1,517.65
(ii) Trade payables	21	**151.61**	424.89
(iii) Other financial liabilities	22	**939.63**	998.92
(b) Other current liabilities	23	**108.17**	25.38
(c) Provisions	24	**17.05**	7.93
(d) Current tax liabilities (net)	24A	**-**	36.88
Total current liabilities		**2,641.45**	3,011.65
TOTAL EQUITY AND LIABILITIES		**9,832.72**	10,569.53
Significant accounting policies	1		

The accompanying notes 1 to 44 form an integral part of these financial statements.

In terms of our report of even date

For S.Sonny Associates
Chartered Accountants
FRN : 003935S

SONNY ASSOCIATES CHENNAI CHARTERED ACCOUNTANTS

(S.Sundar)
Partner
M.No.023425

For and on behalf of the Board of Directors

(Amit Garg)
Company Secretary

(M.Maheswari Bai)
Director

(Prakash Tiwari)
Chairman

(Debasis Sarkar)
CEO

(Evani Sastry)
CFO

Place : Chennai
Dated : 24th May 2018

NTECL

NTPC TAMILNADU ENERGY COMPANY LIMITED
(A Joint Venture of NTPC Ltd. and TANGEDCO)

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

₹ Crore

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue			
Revenue from operations	25	**3,540.27**	3,799.62
Other income	26	**35.88**	7.08
Total revenue		**3,576.15**	3,806.70
Expenses			
Fuel		**2,115.73**	2,246.77
Employee benefits expense	27	**90.61**	69.38
Finance costs	28	**599.45**	642.59
Depreciation, amortization and impairment expense	2	**487.71**	455.22
Other expenses	29	**237.67**	139.13
Total expenses		**3,531.17**	**3,553.09**
Profit / (Loss) before tax and Rate Regulated Activities (RRA)		**44.98**	**253.61**
Add: Movements in Regulatory deferral account balances	43	**2.69**	0.66
Profit / (Loss) before tax		**47.67**	**254.27**
Tax expense - Current Tax			
Current year		**14.23**	56.33
Tax expense - Deferred Tax			
Deferred tax		**367.79**	-
Less: Deferred asset for deferred tax liability		**367.79**	-
Total tax expense		**14.23**	**56.33**
Profit / (Loss) for the year		**33.44**	**197.94**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)		**0.01**	-
Other comprehensive income for the year, net of income tax		0.01	-
Total comprehensive income for the year		**33.45**	**197.94**
Significant accounting policies	1		
Expenditure during construction period (net)	30		
Earnings per equity share (Par value ₹ 10/- each)	34		
Basic (₹) (from operations including regulatory deferral account balances)		**0.17**	**0.93**
Diluted (₹) (from operations including regulatory deferral account balances)		**0.17**	**0.93**
Basic (₹) (from operations excluding regulatory deferral account balances)		**0.16**	**0.93**
Diluted (₹) (from operations excluding regulatory deferral account balances)		**0.16**	**0.92**

The accompanying notes 1 to 44 form an integral part of these financial statements.

In terms of our report of even date
For S.Sonny Associates
Chartered Accountants
FRN : 003935S

For and on behalf of the Board of Directors

SONNY ASSOCIATES CHENNAI S. CHARTERED ACCOUNTANTS

(S.Sundar)
Partner
M.No.023425

(Amit Garg)
Company Secretary

(M.Maheswari Bai)
Director

(Prakash Tiwari)
Chairman

(Debasis Sarkar)
CEO

(Evani Sastry)
CFO

Place : Chennai
Dated : 24th May 2018

₹ Crore

CASH FLOW STATEMENT	for the year ended 31.03.2018	for the year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	44.98	253.61
Add: Net movements in regulatory deferral account balances (net of tax)- Income/(Expense)	2.12	0.52
Add: Tax expense on regulatory deferral account balances	0.57	0.14
Net Profit before tax	**47.67**	**254.27**
Adjustment for:		
OCI	0.02	-
Profit on disposal of fixed assets	(0.02)	-
Interest income	(0.08)	-
Depreciation	487.71	455.22
MIT Written off		3.37
Stores written off		0.01
Fly ash utilisation reserve	2.38	1.160
Interest charges	599.46	641.43
	1089.47	1101.19
Operating Profit /(Loss) before Working capital adjustments:	**1137.14**	**1355.46**
Adjustment for:		
Trade Receivables	347.02	(723.47)
Inventories	44.69	(231.41)
Regulatory deferral account balances	(2.69)	(0.66)
Trade Paybles and Other Liabilities	(190.50)	290.78
Loans and Advances	(26.39)	(46.36)
Other Current Assets	93.43	(289.37)
Provisions	9.12	0.03
Cash Generated from Operations	**1411.82**	**355.00**
Income taxes Paid	(71.90)	(22.02)
Net Cash from Operating Activities-A	**1339.92**	**332.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment	(307.62)	(134.45)
Disposal of fixed assets	0.02	-
Interest from deposits	0.08	-
Net Cash Used in Investing Activities-B	**(307.52)**	**(134.45)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Reciepts from issue of Share Capital including share deposit account (pending for allotment)	30.00	64.39
Loan funds	(432.72)	(345.20)
Proceeds/(repayment)- short term borrowings	(92.66)	770.01
Interest paid	(601.91)	(639.07)
Net Cash flow from Financing Activities- C	**(1,097.29)**	**(149.87)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(64.89)**	**48.66**
Cash and Cash Equivalents(Opening Balance) (See Note 1 below)	**71.48**	**22.82**
Cash and Cash Equivalents(Closing Balance) (See Note 1 below)	**6.59**	**71.48**

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

NTECL

NTPC TAMILNADU ENERGY COMPANY LIMITED
(A Joint Venture of NTPC Ltd. and TANGEDCO)

₹ Crore

CASH FLOW STATEMENT	**for the year ended 31.03.2018**	for the year ended 31.03.2017
Notes		
1 Cash and cash equivalents consists of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheets amounts as per Note-8 in ₹ Crore		
Balances with banks	**6.59**	**71.48**
Cheques and drafts on hand	-	-
Others (Franking machine balance₹16636/- as at 31 March 2018, ₹3085/- as at 31 March 2017,)	-	-

Particulars	**Non-current borrowings ***	**Current borrowings**	**Interest on borrowings**
Opening balance as at 1 April 2017	5,426.22	1,517.65	6.64
Add : Loan drawals / interest accrued during the year (in cash)	-	-	598.97
Less : Loan repayments / interest payment during the year (in cash)	(432.72)	(92.66)	601.43
Closing balance as at 31 March 2018	4,993.50	1,424.99	4.18

* includes current maturities of non-current borrowings, refer Note 22

For S.Sonny Associates
Chartered Accountants
FRN : 003935S

(S.Sundar)
Partner
M.No.023425

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

For and on behalf of the Board of Directors

(Amit Garg)
Company Secretary

(M.Maheswari Bai)
Director

(Prakash Tiwari)
Chairman

(Debasis Sarkar)
CEO

(Evani Sastry)
CFO

Place : Chennai
Dated : 24th May 2018

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2018 ₹ Crore

Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
2,771.21	48.78	2,819.99

For the year ended 31 March 2017 ₹ Crore

Balance as at 1 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
2,691.21	80.00	2,771.21

(B) Other equity

For the year ended 31 March, 2018 ₹ Crore

Particulars	Share Application Money pending Allotment	Equity Component of Compound Financial Instruments	Reserves & surplus					Items of other comprehensive income (OCI)		Total
			Capital Reserve	Securities Premium Reserve	Fly ash utilisation reserve fund	General reserve	Retained earnings	Remeasurement of defined benefit plans	Equity instruments through OCI	
Balance as at 1 April 2017	24.39	-	-	-	1.15	-	(233.57)	-	-	**(208.03)**
Profit for the year	-	-	-	-	-	-	33.43	-	-	**33.43**
Other comprehensive income	-	-	-	-	-	-	-	0.01	-	**0.01**
Total comprehensive income	-	-	-	-	-	-	-	0.01	-	**0.01**
Adjustment made during the year	18.78	-	-	-	-	-	-	-	-	**18.78**
Transfer to fly ash utilisation reserve fund	-	-	-	-	2.38	-	-	-	-	**2.38**
Balance as at 31 March 2018	**5.61**	-	-	-	**3.54**	-	**(200.14)**	**0.01**	-	**(190.98)**

For the year ended 31 March 2017 ₹ Crore

Particulars	Share Application Money pending Allotment	Equity Component of Compound Financial Instruments	Reserves & surplus					Items of other comprehensive income (OCI)		Total
			Capital Reserve	Securities Premium Reserve	Fly ash utilisation reserve fund	General reserve	Retained earnings	Remeasurement of defined benefit plans	Equity instruments through OCI	
Balance as at 1 April 2016	40.00	-	-	-	-	-	(431.51)	-	-	**(391.51)**
Profit / (Loss) for the year	-	-	-	-	-	-	197.94	-	-	**197.94**
Other comprehensive income	-	-	-	-	-	-	-	-	-	**-**
Total comprehensive income	-	-	-	-	-	-	197.94	-	-	**197.94**
Adjustment during the year	(15.61)	-	-	-	-	-	-	-	-	**(15.61)**
Transfer to fly ash utilisation reserve fund	-	-	-	-	1.15	-	-	-	-	**1.15**
Balance as at 31 March 2017	**24.39**	-	-	-	**1.15**	-	**(233.57)**	-	-	**(208.03)**

For S.Sonny Associates
Chartered Accountants
FRN : 003935S

S. SONNY ASSOCIATES * CHENNAI * CHARTERED ACCOUNTANTS *

(S.Sundar)
Partner
M.No.023425

(Amit Garg)
Company Secretary

(M.Maheswari Bai)
Director

(Prakash Tiwari)
Chairman

(Debasis Sarkar)
CEO

(Evani Sastry)
CFO

Place : Chennai
Dated : 24th May 2018

NTPC TAMILNADU ENERGY COMPANY LIMITED

(A Joint Venture of NTPC Ltd and TANGEDCO)

Note 1. Significant Accounting Policies for FY 2017 -18

1. Company Information and Significant Accounting Policies

A. Reporting entity

NTPC Tamilnadu Energy Company Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40108DL2003PLC120487). The Company is a Joint Venture of NTPC Limited and TANGEDCO. The address of the Company's registered office is NTPC Bhawan, CORE 7, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Company is involved in the generation and sale of bulk power to State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by Board of Directors on 24 May 2018.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding financial instruments). The methods used to measure fair values are discussed further in notes to financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest crore (upto two decimals), except as stated otherwise.

4. Current and non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1st April 2015, i.e, the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

Items of property, plant and equipment are initially recognized if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of property, plant and equipment are initially recognized at cost.

Subsequent measurement is done at cost minus accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of

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property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

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

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. Derecognition

Property, plant and equipment is derecognized (i.e. removed from the Company's balance sheet) when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

a) Kutcha roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years

Major overhaul and inspection costs which have been capitalized are depreciated over the period

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until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

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

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital work-in-progress

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

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

Intangible asset is recognized if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent costs:

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. Derecognition

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

3.4. Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

4. Regulatory deferral account balances

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

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

5. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

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

6. Inventories

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Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

Steel scrap is valued at estimated realizable value.

7. Cash and cash equivalents

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

8. Fly ash utilization reserve fund

Proceeds from sale of ash/ash products are transferred to 'Fly ash utilization reserve fund' in terms of provisions of gazette notification dated 3rd November 2009 issued by Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion and facilitation activities for use of fly ash.

9. Provisions, contingent liabilities and contingent assets.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognized upto 31st March 2016 are adjusted to the carrying cost of property, plant & equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction.

11. Revenue

Company's revenues arise from sale of energy and other income. Revenue from sale of energy is regulated and governed by the applicable CERC Tariff Regulations under Electricity Act, 2003. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

11.1. Revenue from sale of energy

The Company's operations in India are regulated under the Electricity Act, 2003. Accordingly, the CERC determines the tariff for the Company's power plant based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e, a fixed charge, that includes depreciation, return on equity, interest on working capital, operating & maintenance expenses, interest on loan and energy charge i.e, a variable charge primarily based on fuel costs.

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e, unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the

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CERC as per principles enunciated in Ind AS 18. In cases of power station where the same have not been notified/approved, incentives/disincentives are accounted for on provisional basis.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

Exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Regulatory deferred account balances' and adjusted from the year in which the same becomes recoverable/payable.

Exchange differences on account of translation of foreign currency borrowings recognized upto 31 March 2016, recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset'. The increase or decrease in depreciation for the year due to the accounting of such exchange differences as mentioned above is adjusted in depreciation.

11.2. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

12. Employee benefits

12.1. In respect of employees on secondment from the parent company i.e, NTPC Limited:

Employee benefits include provident fund, pension, gratuity, post retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Parent Company, the Company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the Company. Accordingly, these employee benefits are treated as defined contribution schemes.

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12.2. In respect of employees on deputation from TANGEDCO, Pension and leave salary are being reimbursed to TANGEDCO based on TANGEDCO terms of service.

12.3. In respect employees on rolls of the company, provident fund and pension are provided on actual basis, whereas provision for leave encashment and gratuity are provided on actuarial basis.

12.4. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

12.5. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plan.The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise.When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

12.6. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

12.7. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed

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as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. Other expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to the Statement of Profit and Loss in the year incurred.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

14. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

15. Leases

15.1. As lessee

Accounting for finance leases

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases

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are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

16. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

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

17. Operating segments

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

18. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

19. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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

Basic and diluted earnings per equity share are also computed using the earnings amounts

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excluding the movements in regulatory deferral account balances.

20. Statement of cash flows

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

21. Financial instruments

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

21.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

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

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value

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with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
(b) Financial assets that are debt instruments and are measured as at FVTOCI.
(c) Lease receivables under Ind AS 17.
(d) Trade receivables under Ind AS 18.
(e) Loan commitments which are not measured as at FVTPL.
(f) Financial guarantee contracts which are not measured as at FVTPL.

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

21.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

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

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

1. Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment **and intangible assets** is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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Useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of assets, other than the assets of generation of electricity business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

3. Recoverable amount of property, plant and equipment and intangible assets

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

4. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenues

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, if any, as per principles enunciated under Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

7. Regulatory deferral account balances

Recognition of regulatory deferral account balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

8. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

9. Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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2. Property, plant & equipment

As at 31 March 2018

₹ Crore

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2017	Additions	Deductions/ adjustments	As at 31.03.2018	Upto 01.04.2017	For the year	Deductions/ adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land										
(including development expenses)										
Freehold	120.18	0.07	(2.16)	122.41	-	-	-	-	122.41	120.18
Leasehold	18.70	-	-	18.70	2.04	1.03	-	3.07	15.63	16.66
Roads, bridges, culverts & helipads	100.47	26.19	(0.44)	127.10	6.41	3.68	-	10.09	117.01	94.06
Building	-	-	-		-	-	-			
Freehold	-	-	-		-	-	-			
Main plant	691.86	1.53	(62.20)	755.59	45.41	26.64	-	72.05	683.55	646.45
Others	97.44	37.74	0.43	134.75	7.43	6.09	-	13.52	121.23	90.01
Temporary erection	0.28	0.09	-	0.37	0.03	0.09	-	0.12	0.25	0.25
Water supply, drainage & sewerage system	18.61	2.15	(1.14)	21.90	1.47	0.93	-	2.40	19.50	17.14
Plant and equipment	-	-	-		-	-	-			
Owned	7,652.40	165.97	(32.17)	7,850.54	858.59	458.02	0.12	1,316.49	6,534.05	6,793.81
Furniture and fixtures	7.26	2.01	(0.09)	9.36	1.25	0.57	-	1.82	7.54	6.01
Vehicles including speedboats	-	-	-		-	-	-			
Owned	0.46	0.11	-	0.57	0.06	0.04	-	0.10	0.47	0.40
Office equipment	2.39	0.41	-	2.80	0.60	0.26	-	0.86	1.94	1.79
EDP, WP machines and satcom equipment	2.16	1.26	-	3.42	1.50	0.77	-	2.27	1.15	0.66
Construction equipments	9.94	-	-	9.94	1.62	0.92	-	2.54	7.40	8.32
Electrical installations	7.84	0.04	-	7.88	1.09	0.56	-	1.65	6.23	6.75
Communication equipments	0.64	0.10	-	0.74	0.11	0.09	-	0.20	0.54	0.53
Hospital equipments	0.02	0.07	-	0.09	-	-	-	-	0.09	0.02
Overhauling Expenses capitalised	28.76	8.15	-	36.91	12.75	10.36		23.11	13.80	16.01
Assets for ash utilisation	0.16	0.32	-	0.48	-	-		-	0.48	0.16
* Less: Adjusted from fly ash utilisation reserve fund	0.16	0.32	-	0.48	-	-		-	0.48	0.16
Total	8,759.41	245.89	(97.77)	9,103.07	940.36	510.05	0.12	1,450.29	7,652.79	7,819.05

a) Freehold Land includes 75 acres (Previous year 75 acres) of salt pan land of value ₹ 19.42 crore (Previous year ₹ 17.27 crore) which is in physical possession of the company of which legal formalities for transfer of land is pending.

b) Leased Land represents 62.81 acres of land of value ₹ 24.21 crore (previous year 62.81 acres of value ₹ 24.21 crore) taken on from TANGEDCO in respect of which lease agreement is pending execution.

c) Refer Note 16 for information on property, plant and equipment pledged as security by the company.

d) Refer Note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e) Deduction/adjustments from gross block and depreciation/amortisation/impairment for the year includes:

	Gross block			)epreciation/ amortisation/impairmer	
	31.03.2018	31.03.2017		31.03.2018	31.03.2017
Disposal of assets	-	-		-	0.01
Retirement of assets	15.20	-		5.09	-
Cost adjustments including exchange differences	(112.97)	(6.78)	-	-	-
Assets capitalised with retrospective effect/write back of excess capitalisation	-	-		-	-
Others				-	
	(97.77)	(6.78)		5.09	(6.12)

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f) Exchange differences capitalised are disclosed in the 'Addition' column of CWIP and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustment' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of fixed assets. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of fixed assets and CWIP through 'Addition' or 'Deductions/Adjustments' column are given below:

₹ Crore

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Exchange Difference incl. in fixed assets / CWIP	Borrowing costs incl in fixed assets/ CWIP	Exchange Difference incl. in fixed assets / CWIP	Borrowing costs incl in fixed assets/ CWIP
Building				
Main plant				
Others				
Hydraulic works, barrages, dams, tunnels and power chan				
MGR track and signalling system				
Railway siding				
Plant and equipment	(3.76)		(3.06)	
Others including pending allocation				
Total	(3.76)	-	(3.06)	-

Intangible assets
As at 31 March 2018

₹ Crore

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2017	Additions	Deductions/ adjustments	As at 31.03.2018	Upto 01.04.2017	For the year	Deductions/ adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software	0.06	0.67	-	0.73	0.05	0.08	-	0.13	0.60	0.01
Right of use	5.92	-	-	5.92	0.56	0.28	-	0.84	5.08	5.36
Total	5.98	0.67	-	6.65	0.61	0.36	-	0.97	5.68	5.36

h) The right of use of land are amortized over the period of legal right to use or life of the related plant, whichever is less.

i) Deduction/adjustments from gross block and amortisation for the year includes:

₹ Crore

	Gross Block		Amortisation	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Disposal of assets	-	-	-	-
Cost adjustments	-	-	-	-
Total	-	-	-	-

Depreciation/amortisation/impairment of tangible and intangible assets for the year is allocated as given below:

₹ Crore

	2017-18	2016-17
Charged to statement of profit and loss	487.71	455.22
Allocated to fuel cost	22.70	23.20
Transferred to expenditure during construction period (net) - Note 30	-	-
Total	510.41	478.42

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₹ Crore

As at 31 March 2017

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land										
(including development expenses)										
Freehold	118.02	-	(2.16)	**120.18**	-	-	-	-	**120.18**	118.02
Leasehold	18.70	-	-	**18.70**	1.02	1.02		**2.04**	**16.66**	17.68
Roads, bridges, culverts & helipads	73.93	24.84	(1.70)	**100.47**	3.19	3.22		**6.41**	**94.06**	70.74
Building										
Freehold					-					
Main plant	638.25	50.04	(3.57)	**691.86**	22.29	23.12		**45.41**	**646.45**	615.96
Others	93.42	3.69	(0.33)	**97.44**	3.52	3.91		**7.43**	**90.01**	89.90
Temporary erection	0.28	-	-	**0.28**	0.02	0.01		**0.03**	**0.25**	0.26
Water supply, drainage & sewerage system	15.77	2.84	-	**18.61**	0.72	0.75		**1.47**	**17.14**	15.05
Plant and equipment										
Owned	7,489.26	164.16	1.02	**7,652.40**	425.18	433.41		**858.59**	**6,793.81**	7,064.08
Furniture and fixtures	6.60	0.66	-	**7.26**	0.58	0.67		**1.25**	**6.01**	6.02
Vehicles including speedboats					-					
Owned	0.16	0.30	-	**0.46**	0.02	0.04		**0.06**	**0.40**	0.14
Office equipment	1.81	0.58	-	**2.39**	0.30	0.30		**0.60**	**1.79**	1.51
EDP, WP machines and satcom equipment	2.11	0.07	0.02	**2.16**	0.81	0.70	0.01	**1.50**	**0.66**	1.30
Construction equipments	7.46	2.48	-	**9.94**	0.77	0.85		**1.62**	**8.32**	6.69
Electrical installations	7.56	0.06	(0.22)	**7.84**	0.53	0.56		**1.09**	**6.75**	7.03
Communication equipments	0.59	0.05	-	**0.64**	0.07	0.04		**0.11**	**0.53**	0.52
Hospital equipments	0.02	-	-	**0.02**	-	-		-	**0.02**	0.02
Overhauling Expenses capitalised	10.05	18.71	-	**28.76**	3.23	9.52		**12.75**	**16.01**	6.82
Assets for ash utilisation	-	0.16	0.16 *	-	-			-	-	-
* Less: Adjusted from fly ash utilisation reserve fund	-			-	-			-	-	-
Total	**8,483.99**	**268.64**	**(6.78)**	**8,759.41**	**462.25**	**478.12**	**0.01**	**940.36**	**7,819.05**	**8,021.74**

₹ Crore

Intangible assets

As at 31 March 2017

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software	0.06			0.06	0.03	0.02		0.05	0.01	0.03
Right of use	5.91			5.91	0.28	0.28		0.56	5.35	5.63
Total	**5.97**	**-**	**-**	**5.97**	**0.31**	**0.30**	**-**	**0.61**	**5.36**	**5.66**

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3. Capital work-in-progress
As at 31 March 2018

₹ Crore

Particulars	As at 01.04.2017	Additions	Deductions/ adjustments	Capitalised	As at 31.03.2018
Development of land	-	0.02	-	-	**0.02**
Roads, bridges, culverts & helipads	6.32	19.40	0.44	25.10	**0.18**
Buildings	-	-	-	-	
Main plant	113.61	4.34	62.19	1.53	**54.23**
Others	82.40	29.33	(0.34)	36.11	**75.96**
Temporary erection	-	0.10	-	0.10	-
Water supply, drainage and sewerage system	0.01	3.98	1.67	2.15	**0.17**
Plant and equipment	80.54	61.92	45.20	13.14	**84.12**
Vehicles	0.39	-	-	0.39	-
Electrical installations	0.03	-0.03	-	-	-
Interior Communication equipment	-	0.55	-	-	**0.55**
Assets for ash utilization	-	-	-	-	-
	283.30	119.63	109.18	78.52	**215.23**
Expenditure pending allocation	-	-	-	-	
Other expenditure directly attributable to project construction	0.21	1.26	-	1.45	**0.02**
Less: Allocated to related works	-	-	-	-	-
	283.51	120.89	109.18	79.97	**215.25**
Construction stores (net of provision)	82.56	-	2.41	-	**80.15**
Total	**366.07**	**120.89**	**111.59**	**79.97**	**295.40**

* Brought from expenditure during construction period (net) - Note 30

a) Material in transit - As at 31st March 2018 - ₹ 2.31 Crores - As at 31st March 2017 - ₹ 2.31 Crores

b) Construction stores are net of provision for shortages pending investigation amounting to ₹ 117443/- as at 31 March 2018, ₹ 62131/ as at 31st March 2017

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As at 31 March 2017

₹ Crore

Particulars	As at 01.04.2016	Additions	Deductions/ adjustments	Capitalised	**As at 31.03.2017**
Development of land	4.93	-	4.93	-	–
Roads, bridges, culverts & helipads	6.85	25.97	1.66	24.84	**6.32**
Buildings					
Main plant	156.91	10.31	3.57	50.04	**113.61**
Others	78.73	7.63	0.36	3.60	**82.40**
Water supply, drainage and sewerage system	0.76	2.09	-	2.84	**0.01**
Plant and equipment	144.54	56.36	(1.69)	122.05	**80.54**
Vehicles	–	0.39			**0.39**
Electrical installations	0.07	0.24	0.22	0.06	**0.03**
	392.79	102.99	9.05	203.43	**283.30**
Expenditure pending allocation					
Other expenditure directly attributable to project construction	0.01	0.58	0.27	0.11	**0.21**
Less: Allocated to related works	-			-	–
	392.80	103.57	9.32	203.54	**283.51**
Construction stores (net of provision)	87.26	-	4.70	-	**82.56**
Total	**480.06**	**103.57**	**14.02**	**203.54**	**366.07**

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4. Non-current financial assets

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
i) Loans		
Employees (including accrued interest)		
Secured	**0.02**	0.03
Unsecured (considered good)	**0.04**	0.02
	-	-
Total	**0.06**	0.05

a) Details of collateral held as security:
Secured Loans to the employee are secured against the vehicles for which such loans have been given in line with the policies of the Company.

Particulars	As at 31.03.2018	As at 31.03.2017
ii) Other financial assets - Security Deposits	-	4.33
	-	4.33

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5. Other non current assets

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Capital advances		
Unsecured		
Covered by bank guarantee	**4.16**	5.70
Others	**20.45**	3.01
	24.61	8.71
Advances other than capital advances		
Advance tax & tax deducted at source	**21.63**	0.84
	21.63	0.84
Total	**46.24**	9.55

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6. Inventories

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Coal	**317.32**	366.77
Fuel oil	**17.16**	14.00
Stores & spares	**104.87**	114.11
Chemicals & consumables	**9.38**	5.28
Loose tools	**0.19**	0.29
Steel scrap	**0.02**	0.03
Others	**23.02**	16.16
Total	**471.96**	516.64
Inventories include material-in-transit		
Coal	**111.16**	292.90
Stores & spares	**16.11**	2.93

a) Inventory items, other than steel scrap have been valued as per accounting policy no. C.6 (Note 1). Steel scrap has been valued at estimated realisable value.

b) Inventories - Others includes steel, cement,etc.

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7. Trade receivables

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Trade receivables		
Unsecured, considered good		
(Outstanding for a period exceeding six months from the date they are due for payment)	**42.70**	19.11
Unsecured, considered good		
(Outstanding for a period less than six months from the date they are due for payment)	**852.74**	1,223.36
	895.44	1,242.47
Less: Allowance for bad & doubtful receivables	**-**	-
Total	**895.44**	1,242.47

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8. Cash and cash equivalents

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with banks		
Current accounts	**6.59**	71.48
Cheques & drafts on hand	-	-
Others (Franking machine balance ₹16636/- as at 31 March 2018, ₹3085/- as at 31 March 2017,)	-	-
Total	**6.59**	71.48

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

9. Current loans

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Loans (including interest accrued)		
Employees (including accrued interest)		
Secured (considered good)	-	-
Unsecured (considered good)	**0.05**	0.05
Total	**0.05**	0.05

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

10. Other current financial assets

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Unbilled revenue	259.53	389.99
Security deposits (unsecured)	52.58	1.62
	-	-
Total	312.11	391.61

a) Unbilled revenue is net of credits to be passed to beneficiaries at the time of billing and includes ₹ 350.83 crore (31 March 2017: ₹ 474.09 crore) billed to the beneficiaries after 31 March for energy sales.

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

11. Other current assets

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
(unsecured, considered good unless otherwise stated)		
Advances		
Related parties	**111.61**	96.47
Employees	**0.07**	0.04
Contractors & suppliers	**3.41**	1.73
Others	-	2.07
	115.09	100.31
Claims recoverable	**25.54**	39.42
	25.54	39.42
Others	**0.08**	0.14
Total	**140.71**	139.87

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

12. Regulatory deferral account debit balances

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Regulatory deferral account debit balances	**5.69**	3.00

Regulatory deferral account balances have been accounted in line with Accounting policy no. C.4. Refer Note 43 for detailed disclosures.

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

13. Share capital

Particulars	As at 31.03.2018	As at 31.03.2017
		₹ Crore
Equity share capital		
Authorised		
300,00,00,000 shares of par value ₹ 10/- each (300,00,00,000 shares of par value ₹ 10/- each as at 31 March 2018)	**3,000**	3,000
Issued, subscribed and fully paid up		
281,99,92,224 shares of par value ₹ 10/- each (277,12,12,224 shares of par value ₹ 10/- each as at 31 March 2018)	**2,819.99**	2,771.21

a) **Movements in equity share capital:**

	31.03.2018		31.03.2017	
Particulars	**No of shares**	**Amount in ₹**	No of shares	Amount in ₹
At the beginning of the period	**2,77,12,12,224**	**27,71,21,22,240.00**	2,69,12,12,224	26912122240.00
Issued during the Year	**4,87,80,000**	**48,78,00,000.00**	8,00,00,000	80,00,00,000.00
Out standing at the end of period	**2,81,99,92,224**	**28,19,99,22,240.00**	2,77,12,12,224	27,71,21,22,240.00

b) **Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31.03.2018		31.03.2017	
	No. of shares	**%age holding**	No. of shares	%age holding
- NTPC	**1,40,99,96,112**	**50**	1,38,56,06,112	50
- TANGEDCO	**1,40,99,96,112**	**50**	1,38,56,06,112	50

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14. Other equity

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Fly ash utilisation reserve fund	**3.53**	1.15
Retained earnings	**(200.12)**	(233.57)
Total	**(196.59)**	(232.42)

	For the year ended 31.03.2018	31.03.2017
(a) Fly ash utilisation reserve fund		
Opening balance	**1.15**	
Add: Transfer from		
Revenue from operations	**4.16**	2.17
Less: Utilised during the year		
Capital expenditure	**0.31**	0.16
Employee benefits expense	**0.87**	0.67
Other administration expenses	**0.60**	0.19
Closing balance	**3.53**	1.15

Pursuant to gazette notification dated 3 November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

(b) Retained earnings		
Opening balance	**(233.57)**	(431.51)
Add: Profit for the year as per Statement of Profit and Loss	**33.45**	197.94
Closing balance	**(200.12)**	(233.57)

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

15. Share Application Money Pending Allotment

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Share Application money pending allotment		
TANGEDCO	**5.61**	-
NTPC	-	24.39
Total	**5.61**	24.39

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

16. Non current Borrowings

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Term loans		
From Financial Institutions		
Secured		
Loan from Rural Electrification Corporation - Phase - I	**3,047.88**	3,324.96
Loan from Rural Electrification Corporation - Phase - II	**1,946.95**	2,102.70
	4,994.83	5,427.66
Less : Current maturities of long term borrowings		
Loan from Rural Electrification Corporation - Phase - I	**277.01**	277.01
Loan from Rural Electrification Corporation - Phase - II	**155.71**	155.71
	432.72	432.72
Less : Interest accrued but not due		
Loan from Rural Electrification Corporation - Phase - I	**0.81**	0.88
Loan from Rural Electrification Corporation - Phase - II	**0.52**	0.56
	1.33	1.44
Loan from Rural Electrification Corporation - Phase - I	**2,770.06**	3047.07
Loan from Rural Electrification Corporation - Phase - II	**1,790.72**	1946.43
Total	**4,560.78**	4,993.50

a) The rupee term loans carry interest at 9.79% for Phase-I & 9.69 % (floating) for Phase-II. The interest rate will be reset every three years, based on AAA bond rate plus 140 basis points. These are repayable in installments as per the terms of the respective agreements generally over a period of fifteen years after a moratorium period of four years. The principal repayment of Phase -I was scheduled after 48 months from the date of first disbursement or six months from the date of commissioning whichever is earlier. This has been extended and repayment has begun from 30.06.2014. Phase-II loan repayment was scheduled after 6 months from date of commissioning. This has been extended and repayment has started from 31.12.2015

b) All the above loans are Secured by first charge on all movable and immovable , present and future assets of the Company along with State Bank of India and Corporation Bank on reciprocal basis (towards cash credit facility extended by both).

c) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

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17. Non current trade payables

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Trade payable	-	-

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18. Other non current financial liabilities

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Other liabilities		
Payable for capital expenditure	**1.29**	0.79
Others	-	0.23
Total	**1.29**	1.02

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19. Non current liabilities- Provisions

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for employee benefits		
Opening Balance	**0.18**	0.18
Additions during the year	**0.02**	0.02
Adjustments during the year	-	-
Reversals during the year	**0.01**	0.02
Closing Balance	**0.19**	0.18

Disclosure as per Ind AS 19 on "Employee benefits" is made in Note 32.

19 A. Non current liabilities- Deferred tax liabilities (net)

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax liability	367.79	-
Less: Deferred asset for deferred tax liability	**367.79**	-
	-	-

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20. Current borrowings

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Loans repayable on demand		
From banks		
Secured		
Cash credit	**1,424.99**	1,517.65
Total	**1,424.99**	1,517.65

There has been no default in servicing of loan as at the end of the year.
The Cash credit is secured by pari-passu charge on :
i) Inventory cum book debts and all current assets of the company,

ii) All movable, immovable fixed assets of the company, present and future alongwith Rural Electrification Corporation Limited on reciprocal basis.

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21. Trade Payables

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
For goods and services	**151.61**	424.89

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22. Other current financial liabilities

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Current maturities of long term borrowings		
From Financial Institutions		
Secured		
Loan from Rural Electrification Corporation - Phase - I	**277.01**	277.01
Loan from Rural Electrification Corporation - Phase - II	**155.71**	155.71
	432.72	432.72
Interest accrued but not due on borrowings	**4.18**	6.64
Advances from customers	**-**	0.03
Payable for capital expenditure	**502.73**	559.53
Total	**939.63**	998.92

a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 16.

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23. Other current liabilities

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Advances from others	-	-
Other payables		
Tax deducted at source and other statutory dues	**4.37**	2.58
Deposits from contractors and others	**11.55**	11.49
Payable to Employees	**11.43**	5.06
Payable to NTPC	**26.99**	5.89
Others	**53.83**	0.36
Total	**108.17**	25.38

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24. Current provisions

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for		
i) Employee benefits		
Opening Balance	**0.14**	0.82
Additions during the year	**0.40**	0.03
Adjustments during the year	**-**	0.71
Reversals during the year	**0.13**	-
Closing Balance	**0.41**	0.14
ii) Shortage in Fixed Assets pending investigation		
Opening Balance	**0.02**	0.02
Additions during the year	**2.97**	-
Adjustments during the year		
Reversals during the year		
Closing Balance	**2.99**	0.02
iii) Others		
Opening Balance	**7.77**	7.06
Additions during the year	**6.63**	0.55
Adjustments during the year	**(0.76)**	(0.16)
Reversals during the year		
Closing Balance	**13.64**	7.77
Total (i+ii+iii)	**17.05**	7.93

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 32.
b) Other obligations include ₹ 7.21 Crore (Previous year ₹ 0.95 crore) towards arbitration award and Provision for development of Green Belt area ₹ 6.43 crore (previous year ₹ 6.82 crore)

24A. Current tax liabilities (Net)

₹ Crore

Particulars	As at 31.03.2018	As at 31.03.2017
Current tax (net of advance tax)		
Current Tax payable	**73.50**	59.26
Less : Adjustment of Advance tax & TDS	**73.50**	22.38
Total	**-**	36.88

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

25. Revenue from operations

₹ Crore

Particulars		For the year ended 31.03.2018	For the year ended 31.03.2017
Energy sales (including electricity duty)		**3,546.79**	3,806.97
Less : Rebate to Customers		**6.92**	7.74
		3,539.87	3,799.23
Sale of fly ash/ash products	4.16		2.17
Less: Transferred to fly ash utilisation reserve fund	4.16		2.17
		-	-
Other operating revenues			
Energy internally consumed		**0.40**	0.39
Total		**3,540.27**	3,799.62

a) The CERC notified the Tariff Regulations, 2014 in February 2014 (Regulations, 2014)., Beneficiaries are billed in accordance with the tariff approved vide order dated 11.07.2017 which is subject to true-up at the end of the tariff period. The amount billed for the year ended 31 March 2018 is ₹ 3565.92 crore (31 March 2017: ₹ 3834.76 crore).

b) Sales have been recognized at ₹ 3,546.79 crore (31 March 2017: ₹ 3806.97 crore) on the basis of said Regulations.

c) Sales for the year ended 31 March 2018 include ₹ 80.32 crore (31 March 2017: ₹ 23.90 crore) pertaining to previous years recognized based on the orders issued by the CERC.

d) Other operating revenue includes ₹ 0.40 crore (31 March 2017: ₹ 0.39 crore) towards energy internally consumed, valued at variable cost of generation and the corresponding amount is included in power charges in Note 29.

e) During the year 2017-18, there was an accident in Unit 3 of the company, which resulted in outage of the unit. This has inter alia resulted in substantial reduction in revenue on account of energy sales and profit for the year, due to loss in Declared Capacity, based on which capacity charges are recovered from the customers.

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26. Other income

₹ Crore

Particulars		**For the year ended 31.03.2018**	For the year ended 31.03.2017
Interest from			
Employees		**-**	-
Others (bank deposits)		**0.08**	
Advance to contractors		**7.58**	0.26
Income tax refunds	0.03		0.60
Less : Refundable to beneficiaries	-		-
		0.03	0.60
Other non-operating income			
Surcharge received from beneficiaries		**26.21**	4.82
Hire charges for equipment		**-**	-
Sale of scrap		**1.42**	0.83
Net gain in foreign currency transactions & translations		**0.03**	0.02
Miscellaneous income		**0.50**	0.52
Provisions Written back -(a)		**0.01**	0.03
Profit on disposal of assets-(b)		**0.02**	-
Total		**35.88**	7.08

(a) Miscellaneous income includes recoveries from employees and contractors

(b) Provisions written back - Others include provision for shortage in stores and shortage in fixed assets.

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27. Employee Benefits Expense

₹ Crore

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries and wages	**79.52**	59.28
Contribution to provident and other funds	**10.73**	10.27
Staff welfare expenses	**6.40**	5.49
	96.65	75.04
Less: Allocated to fuel cost	**5.17**	4.99
Transferred to fly ash utilisation reserve fund	**0.87**	0.67
Total	**90.61**	69.38

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 32 "Employee Benefits"

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28. Finance Costs

₹ Crore

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Finance charges		
i) on financial liabilities measured at amortised cost		
Rupee term loans	**511.88**	552.47
Cash credit	**87.09**	86.60
Unwinding of discount on vendor liabilities	**0.49**	0.60
Interest under Income tax	-	2.92
Others	-	-
Sub-Total	**599.45**	642.59
Less:Transferred to expenditure during construction period (net)	-	-
Total	**599.45**	642.59

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29. Other expenses

₹ Crore

Particulars		For the year ended 31.03.2018	For the year ended 31.03.2017
Power charges	1.15		1.65
Less: Recovered from contractors & employees	0.07		0.08
		1.08	1.57
Water charges		**0.46**	0.26
Stores consumed		**4.00**	4.09
Rent	0.09		0.13
Less: Recoveries			
		0.09	0.13
Repairs & maintenance			
Buildings	0.55		0.24
Plant & machinery	190.51		119.12
Construction equipment	-		-
Others	0.72		0.91
		191.78	120.27
Insurance		**18.68**	4.31
Interest to beneficiaries		**6.16**	-
Rates and taxes		**1.78**	2.56
Water cess & environment protection cess		**1.44**	1.42
Training & recruitment expenses	0.21		0.48
Less: Receipts	-		-
		0.21	0.48
Communication expenses		**0.84**	0.68
Travelling expenses		**3.51**	3.31
Tender expenses	0.94		0.78
Less: Receipt from sale of tenders	0.02		0.04
		0.92	0.74
Payment to auditors		**0.03**	0.04
Advertisement and publicity		**0.22**	0.01
Security expenses		**22.21**	22.24
Entertainment expenses		**0.50**	0.54
Expenses for guest house	0.57		0.43
Less: Recoveries	0.01		0.02
		0.56	0.41
Brokerage & Commission		-	-
Ash utilisation & marketing expenses		**0.11**	0.19
Directors sitting fee		**0.03**	0.01
Professional charges and consultancy fee		**4.87**	3.22
Books and Periodicals		-	-
Legal expenses		**0.58**	0.21
EDP hire and other charges		**0.41**	0.60
Printing and stationery		**0.07**	0.18
Hiring of vehicles		**3.07**	2.73
Net loss in foreign currency transactions & translations		**0.01**	-
Bank Charges		**0.11**	0.22
Loss On Sale Of Fixed Assets		**0.08**	-
Office Store, upkeep and maintenance		**0.12**	-
Furnishing Expenses		-	-

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29. Other expenses

₹ Crore

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Hire charges of construction equipments	**1.13**	0.47
Filing Fees	-	-
Shortage in stores written off	-	0.01
Community development expenses	**0.05**	0.25
Loss of Material in transit written off	-	3.37
Miscellaneous expenses	**2.87**	1.78
	267.98	176.30
Less: Allocated to fuel cost	**32.70**	36.99
Transferred to fly ash utilisation reserve fund	**0.60**	0.19
Transferred to expenditure during construction period (net)	-	-
	234.68	139.12
Provisions for		
Shortage in fixed assets pending investigation	**0.08**	
Others	**2.91**	0.01
Total	**237.67**	139.13
a) Spares consumption included in repairs and maintenance	**67.73**	45.95
b) Details in respect of payment to auditors:		
As auditor		
Audit fee	**0.02**	0.02
Tax audit fee	**0.01**	0.01
In other capacity		
Other services (certification fee)	-	-
Reimbursement of expenses & service tax	-	0.01
Total	**0.03**	0.04

c) CERC Regulations provides that where after the truing-up, the tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ 6.16 crore (31 March 2017: ₹ Nil) has been accounted and disclosed as 'Interest to beneficiaries'.

d) Miscellaneous expenses include expenditure on books & periodicals, brokerage & commission, etc.

e) Provisions - Others include provision for shortage in stores & fixed assets.

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30. Expenditure During Construction Period (net)

₹ Crore

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
A. Employee benefits expense		
Salaries and wages		-
Contribution to provident and other funds		-
Staff welfare expenses		-
Total (A)	-	-
B. Finance costs		
Finance charges on financial liabilities measured at amortised cost		
Bonds		-
Foreign currency term loans		-
Rupee term loans		-
Foreign currency bonds/notes		-
Unwinding of discount on vendor liabilities		-
Exchange differences regarded as an adjustment to borrowing costs		-
Other borrowing costs		
Management/arrangers fee		-
Foreign currency bonds/notes expenses		-
Others		-
Total (B)	-	-
C. Depreciation and amortisation	-	-
D. Generation, administration & other expenses		
Power charges		-
Less: Recovered from contractors & employees		-
	-	-
Water charges		-
Rent		-
Repairs & maintenance		
Buildings		-
Plant and machinery		-
Others		-
	-	-
Insurance		-
Rates and taxes		-
Communication expenses		-
Travelling expenses		-
Tender expenses		-
Advertisement and publicity		-
Security expenses		-
Entertainment expenses		-
Expenses for guest house		-
Professional charges and consultancy fee		-
Legal expenses		-
EDP hire and other charges		-
Printing and stationery		-
Miscellaneous expenses		-
Total (D)	-	-
E. Less: Other income		
Interest from contractors		-
Interest others		-
Hire charges for equipment		-
Sale of scrap		-
Miscellaneous income		-
Total (E)	-	-
Grand total (A+B+C+D-E)	-	-

* Carried to Capital work-in-progress - (Note 3)

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31.Disclosure as per IND AS 12 "Income Taxes"

(i) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.

₹ Crore

Particulars	31-03-2018	31-03-2017
Profit before tax	**47.67**	254.27
Tax using the company's domestic tax rate of 34.6081% (31.03.2017 - 34.6081%)	**16.50**	88.00
Tax effect of :		
Non-deductible expenses	**4.19**	2.07
Minimum alternate tax adjustments	**(6.18)**	(33.74)
Total tax expense in the statement of Profit or Loss	**14.51**	56.33

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32. Disclosure as per Ind AS 19 on 'Employee benefits'

(i) Defined Contribution Plans:

A. Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to RPFC authorities. The contribution of ₹ 0.05 crore (31 March 2017: ₹ 0.07 crore) for the year is recognised as expense and is charged to the Statement of Profit and Loss.

B. Pension

The obligation of company to contribute to pension scheme is to the extent of amount not exceeding 8.33% of basic pay (restricted to ₹ 15000/-).The contribution of ₹ 0.01 crore (31 March 2017: ₹ 0.01 crore) is recognized as expense and charged to statement of profit and loss.

C. In respect of employees of NTPC Ltd on secondment basis to NTECL:

In respect of employees on secondment from parent company i.e. NTPC Limited , an amount of ₹ 10.64 crore (previous year ₹ 10.18 crore) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ 4.18 crore (previous year ₹ 3.44 crore) towards leave & other benefits, are paid/payable to the Parent Company and included under 'Employee benefits expense' (Note - 27).

D. In respect of employee of TANGEDCO on deputation at NTECL :

A sum of ₹ 0.10 crore (Previous Year - ₹ 0.10 crore-) has been paid to TANGEDCO for 1 employee (Previous Year 1 employee) towards Pension Contribution and Leave Salary as per TANGEDCOs terms of Service

(ii) Defined benefit plans:

The company valued the liability with regard to Defined benefit plans through actuary for the first time during the year.

A. Gratuity

a) Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death. The maximum ceiling of ₹ 0.10 crore has been recommended for enhancement to ₹ 0.20 crore by the 3rd Pay Revision Committee appointed by the GOI. The Company has provided towards gratuity benefit considering the enhanced ceiling. Provision for Gratuity amounting to ₹ 0.02 crore (31 March 2017: ₹ 0.02 crore) for the year have been made on actual basis at the year end and debited to the statement of Profit and Loss.

₹ Crore

	31-Mar-18	31-Mar-17
Net defined benefit (asset)/liability :		
Non-current	**0.18**	0.18
Current (Rs. 43670)	**0.00**	

Movement in net defined benefit (asset)/liability	Defined benefit obligation
Particulars	**31-Mar-18**
Opening balance	**0.18**
Included in profit or loss:	-
Current service cost	**0.02**
Past service cost	-
Interest cost (income)	-

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Total amount recognised in profit or loss	**0.02**
Included in OCI:	-
Actuarial loss (gain) arising from:	-
Experience adjustment	**(0.02)**
Total amount recognised in other comprehensive income	**(0.02)**
Other Benefits paid	-
Closing balance	**0.18**

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

		31-Mar-18
Discount rate		**7.60**
Salary escalation rate		**6.50**

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-18	
	Increase	**Decrease**
Discount rate (0.5% movement)	**0.02**	**(0.01)**
Salary escalation rate (0.5% movement)	**0.01**	**(0.01)**

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

iii. Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are Changes in discount rate

A decrease in discount rate will increase plan liabilities.

Expected maturity analysis of the defined benefit plans in future years

Year	Amount
0 to 1 Year	43,670
1 to 2 Year	35,409
2 to 3 Year	35,031
3 to 4 Year	34,701
4 to 5 Year	31,292
5 to 6 Year	28,065
6 Year onwards	16,57,331

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(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 0.16 Crore (Previous year ₹ 0.03 Crore) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

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33. Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'

a) List of Related parties:

i) Entities having joint control over the company:

1. NTPC Ltd.
2. TANGEDCO

ii) Subsidiaries, joint ventures and associates of entities having joint control

1.Utility Powertech Limited (UPL)

iii) Key Managerial Personnel (KMP):

Shri Gurdeep Singh	Chairman (from 23.06.2017)
Shri Prakash Tiwari	Additional Director (from 08.12.2017)
Shri. K.K.Sharma	Director (till 31.10.2017)
Shri M.Saikumar	Director
Smt.Geetha	Director (from 23.06.2017)
Smt.Mahadevan Maheshwari Bai	Director (from 28.09.2016)
Shri. A.N.Sahay	Director (from 28.09.2016)
Shri. V.B.Fadnavis	Additional Director (till 31.07.2017)
Shri K.R.C. Murty	Nominee Director (from 22.09.2017)
Shri Siva Rama Krishna	CEO (till 21.09.2017)
Shri. C.V.Anand	CEO (from 22.09.2017 till 11.12.2017)
Shri. Debasis Sarkar	CEO (from 12.12.2017)
Shri. P.Srivatsan	CFO (till 21.09.2017)
Shri. Sastry Evani	CFO (from 22.09.2017)
Shri. Amit Garg	Company Secretary

iv) Entities under the control of the same government:

The Company is a Public Sector Undertaking (PSU) in which shares are equally held by i) NTPC Limited (a Central PSU in which Central Government holds a majority stake) and ii) TANGEDCO (an undertaking under the control of Government of Tamilnadu) . Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to are as follows :

Central Coalfields Ltd.	Poompuhar Shipping Corporation Limited
Mahanadi Coalfields Ltd.	North Chennai Thermal Power Station
Eastern Coalfields Ltd.	APPCC
Railways	Bangalore Electricty Supply Company Ltd.
Hindustan Petroleum Corporation Limited	Mangalore Electricty Supply Company Ltd.
Bharat Petroleum Corporation Limited	Chamundeswari Electric Supply Corp. Ltd.
Steel Auhority of India.	Gulbarga Electricity Supply Company Ltd.
Bharat Heavy Electricals Limited	Hubli Electricity Supply Company Ltd.
Oriental Insurance Company Limited	TANGEDCO
Rites Limited	

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b) **Transactions with the related parties are as follows:**

₹ Crore

Particulars	NTPC Limited 2017-18	NTPC Limited 2016-17	TANGEDCO 2017-18	TANGEDCO 2016-17	UPL 2017-18	UPL 2016-17
i) Sales/purchase of goods and services during the year						
- Contracts for works/services for services received by the Company		2.87			**40.90**	27.30
- Contracts for works/services for services provided by the Company						
- Sales of Power			**2484.82**	2721.06		
- Purchase of Power			**3.24**	1.19		
- Sales of Property and other assets						
- Purchase of Property and other assets						
ii) Deputation of Employees	**14.82**	13.63		0.01		
iii) Equity contributions received	**24.39**	40.00	**24.39**	40.00		

₹ Crore

	2017-18	2016-17
Compensation to Key management personnel		
- Short term employee benefits	**1.09**	1.17
Total Compensation to Key management personnel	**1.09**	1.17

₹ Crore

Transactions with the related parties under the control of the same government:

Sl. No.	Name of the Company	Nature of transaction	2017-18	2016-17
1	Central Coalfields Ltd.	Purchase of Coal	**47.37**	47.01
2	Mahanadi Coalfields Ltd.	Purchase of Coal	**641.28**	627.38
3	Eastern Coalfields Ltd.	Purchase of Coal	**379.97**	191.29
4	Railways	Freight Payment	**549.67**	352.89
5	HPCL	Purchase of oil products	**5.69**	5.99
6	BPCL	Purchase of oil products	**0.87**	1.96
7	Steel Auhority of India.	Purchase of Steel	**12.30**	6.19
8	BHEL	Plant and Machinery	**1.12**	7.34
9	BHEL	Repair and Maintance	**17.27**	2.92
10	BHEL	Spares Purchase	**16.10**	26.22
11	ORIENTAL INSURANCE COMPANY LTD.	Insurance	**18.68**	4.35
12	Rites limited	Consultancy Work		1.30
13	Poompuhar Shipping Corporation Limited	Hiring of Ships for transport of Coal	**153.99**	84.29
14	North Chennai Thermal Power Station	Usage of Coal unloading Facilities	**22.01**	23.90
17	Electricity Department of Government of Puducherry	Sale of Power	**54.50**	55.81
18	Bharath Earth Movers Limited	Purchase of Equipments	**0.33**	0.63
19	HMT Limited	Purchase of Equipments	**0.63**	
20	IOCL	Purchase of oil products	**12.56**	14.97
21	Instrumentation Limited	Purchase of Equipments	**0.11**	0.92

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c) **Outstanding balances with related parties are as follows:**

₹ Crore

Particulars	31-Mar-18	31-Mar-17
Amount recoverable for sale/purchase of goods and services		
- From NTPC Limited	**31.91**	
- From TANGEDCO	**778.78**	959.46
Amount payable for sale/purchase of goods and services		
- From NTPC Limited	**51.27**	5.89
- From TANGEDCO	**31.60**	29.68
- From UPL	**13.21**	6.68

d) **Terms and conditions of transactions with the related parties**

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

(2) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the NTPC and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of power stations. The Company has entered into Power Station Maintenance Agreement with UPL from time to time. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.

(3) Outstanding balances of NTPC (JV Partner) at the year-end, are unsecured and interest free and settlement occurs through banking transaction.

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34. Disclosure as per Ind AS 33 on 'Earnings per Share'

₹ Crore

Basic and diluted earnings per share

	31 March 2018	31 March 2017
From operations including regulatory deferral account balances (a)	**47.67**	254.27
From regulatory deferral account balances (b)	**2.69**	0.66
From operations excluding regulatory deferral account balances (a)-(b)	**44.98**	253.61
Nominal value per share in ₹	**10**	10
No. of Equity shares (Basic)	**2,81,61,77,566**	2,73,01,16,334

(a) Profit attributable to equity shareholders

₹ Crore

	31 March 2018	31 March 2017
From operations including regulatory deferral account balances (a)	**47.67**	254.27
From regulatory deferral account balances (b)	**2.69**	0.66
From operations excluding regulatory deferral account balances (a)-(b)	**44.98**	253.61

(b) Weighted average number of equity shares

31 March 2018	31 March 2017
2,81,61,77,566	2,74,76,11,484

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35. Disclosure as per Ind AS 108 on 'Segment Report'

Segment Information

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

The company is in the business of generation of electricity. Board of Directors reviews the operating results of Generation business to make decisions about resources to be allocated and to assess its performance. Accordingly, management has identified generation business as only one operating segment for the Company.

Entity wide disclosures

A. Information about products and services

The Company is in business of generation of electricity.

B. Information about geographical areas

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located in India.

C. Information about major customers (from external customers)

The Company derives revenues from the following customer which amount to 10 per cent or more of Company's revenues. In respect of the other customers, their individual share is less than 10% of the company's revenues

₹ Crore

Customer	For the year ended 31 March 2018	For the year ended 31 March 2017
TANGEDCO	2484.82	2721.07

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36. Contingent liabilities and commitments

1. Contingent liabilities

a. Claims against the company not acknowledged as debts

Claims against the company not acknowledged as debt ₹ 180.92 crore (Previous year ₹ 531.66 crore) is as detailed below.

(i) Capital works

a) A contractor has lodged claims on the company for ₹ 146.79 crore (Previous year- ₹ 136.99 crore) including ₹ 92.34 crore, interest @ 18% p.a (previous year ₹ 82.54crore) seeking revision of rates with price escalation.

b) i) Another contractor has lodged claims on the company for ₹ 31.52 crore (Previous year ₹ 27.82 crore) seeking Idling charges, escalation, interest and damages towards illegal termination.The case is pending with arbitrator.

c) An amount of ₹ 2.31 crores has been shown this year as contingent liability in respect of arbitration between a vessel operator and shipping agent(on behalf of NTECL).

(b). Disputed tax matters

i) Disputed incometax matter pending before Honourable Supreme Court of India amount to ₹ 0.30 crore (Previous Year ₹ 0.89 crore) which pertains to Assessment Year 2009-10 .

2.Commitments

a.Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2018 is ₹ 633.20 crore (Previous Year ₹ 467.73 crore).

b.Company's commitment in respect lease agreements has been disclosed in Note 44.

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37. Financial Risk Management

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

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities		
Market risk – foreign currency risk	- Future commercial transactions - Recognised financial assets and liabilities not denominated in Indian rupee (`)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options Currency & interest rate swaps and principal only swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

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38. Financial Risk Management - Credit Risk

Credit risk

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

Trade receivables

The Company primarily sells electricity to bulk customers comprising, mainly state electrical utilities owned by State Governments. The risk of default in case of power supplied to these state owned companies is considered to be insignificant.The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.The provision matrix takes into account available external and internal credit risk factors such as credit defaults, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2018, the Company's most significant customer, accounted for ₹ 710.75 crore of the trade receivables carrying amount (₹ 959.46 Crore of the trade receivables as at March 31, 2017)

Loans & advances

The company has given loans & advances to its employees. The company manages its credit risk in respect of Loan and advances to employee through hypothecation of assets and settlement of dues against full & final payment to employees.

Cash and cash equivalents and deposits with banks

The company has banking operations with State Bank of India and Corporation Bank, which are scheduled banks and are owned by Government of India.The risk of defalut with government controlled entities is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Crore

Particulars	**31 March 2018**	31 March 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	0.06	0.05
Non - current financial assets		4.33
Cash and cash equivalents	6.59	71.48
Current loans	0.05	0.05
Other current financial assets	312.11	391.61
Total	318.81	467.52
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	**31 March 2018**	31 March 2017
Trade receivables	895.44	1,242.47

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(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets

(b) Financial assets for which loss allowance is measured using life time expected credit losses
The company has customers (State government utilities) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ Crore

Ageing as at 31 March 2018	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	277.76	219.17	259.63	52.88	86.00	895.44

Ageing as at 31 March 2017	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	325.49	371.94	292.36	217.03	35.65	1,242.47

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39. Financial Risk Management - Liquidity Risk

Liquidity risk

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

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

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

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As part of the CERC regulations, tariff inter alia includes recovery of capital cost. The tariff regulations also provide for recovery of fuel cost, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Crore

Particulars	31 March 2018	31 March 2017
Floating-rate borrowings		
Term loans	207.84	207.84
Cash Credit	226.49	108.40
Total	**434.33**	**316.24**

(ii) Maturitites of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2018 ₹ Crore

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings	108.18	324.54	432.72	1,298.16	2,829.90	4,993.50
Current borrowings	1,424.99	-	-	-	-	1,424.99
Trade payables	151.61	-	-	-	-	151.61
Payable for capital expenditure	502.73	-	-	-	-	502.73
Interest accrued on borrowings	4.18	-	-	-	-	4.18
Payable to employees	11.43	-	-	-	-	11.43
Others	85.19	11.55	-	-	-	96.74

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39. Financial Risk Management - Liquidity Risk

31 March 2017 ₹ Crore

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings	108.18	324.54	432.72	1,298.16	3,262.62	5,426.22
Current borrowings	1,517.65	-	-	-	-	1,517.65
Trade payables	424.89	-	-	-	-	424.89
Payable for capital expenditure	559.53	-	-	-	-	559.53
Interest accrued on borrowings	6.64	-	-	-	-	6.64
Payable to employees	5.06	-	-	-	-	5.06
Others	8.83	11.49	-	-	-	20.32

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40. Financial Currency Risk Management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 the company till the date of commercial operation capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities.Such capital cost is allowed by CERC as recovery from benefiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from benefiaries as a part of rate regulated asset.Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items.The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2018 and March 31, 2017 are as below:

₹ Crore

Particulars	31 March 2018		31 March 2017	
	USD	EURO	USD	EURO
Financial liabilities				
Trade and other Payables	**33.90**	**35.12**	446.95	30.61

Sensitivity analysis

As per the CERC regulations, the gain/loss on account of exchange rate variations on all long term and short term foreign currency monetary items (upto COD) is recoverable from beneficiaries. Hence the impact of strengthening or weakening of Indian rupee against USD and EURO on the statement of Profit & Loss would not be very significant. Therefore, Sensitivity analysis for currency risk is not disclosed.

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41. Financial Risk Management - Interest Rate Risk

Interest rate risk
The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

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

₹ Crore

Particulars	31 March 2018	31 March 2017
Financial assets		
Fixed-rate instruments		
Employee Loans	**0.06**	0.05
	0.06	0.05
Financial liabilities		
Variable-rate instruments		
Rupee term loans	**4,993.50**	5,426.22
	4,993.50	5,426.22

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ Crore

	Profit or loss	
	100 bp increase	**100 bp decrease**
31 March 2018	-	-
Rupee term loans	(52.78)	52.78
31 March 2017		
Rupee term loans	(55.99)	55.99

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42. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company monitors capital based on capex incurred and maintain the debt equity ratio of 70:30. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Crore

	31 March 2018	31 March 2017
Total liabilities	**6,418.49**	6,943.87
Less : Cash and cash equivalent	**6.59**	71.48
Net debt	**6,411.90**	6,872.39
Total equity	**2,629.01**	2,563.18
Net debt to equity ratio	**2.44**	2.68

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43. Disclosure as per Ind AS 114 on 'Regulatory deferral accounts'

(i) Nature

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the Company for electricity sold to its customers is determined by the CERC through tariff regulations. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.
This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

Considering the above, the Company is eligible to apply Indian Accounting Standard (Ind AS) 114, Regulatory Deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance Note on accounting for Rate Regulated Activities) accounting policy for its regulatory deferral account balances .

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost from declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory asset/liability' by credit/debit to 'Regulatory income/expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

(ii) Risks associated with future recovery of rate regulated assets:
(i) demand risk (for example, changes in consumer attitudes, the availability of alternative sources of supply or the level of competition);
(ii) regulatory risk (for example, the submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions)
(iii) other risks (for example, currency or other market risks).

The amount provided for pay revision w.e.f 01.01.2017 is accounted as regulatory assets as company expect that same will be recoverable from beneficiary through CERC tariff revision.

(iii) Reconciliation of the carrying amounts:
The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

₹ Crore

Particulars	31 March 2018	31 March 2017
A. Opening balance	**3.00**	2.34
B. Addition during the year	**2.79**	0.66
C. Amount collected/refunded during the year	**0.10**	-
D. Regulatory income/(expense) recognized in the Statement of Profit & Loss (B-C)	**2.69**	0.66
E. Closing balance (A+D)	**5.69**	3.00

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44. Other Notes

A. Previous year figures have been regrouped /rearranged wherever considered necessary.

B. Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.

C. a) Some of the balances of trade / other payables and loans & advances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

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

D. Disclosure as per Ind AS 21 on 'The Effects of Changes in Foreign Exchange Rates'
The effect of foreign exchange fluctuation during the year is as under:

i) The amount of exchange differences (net) adjusted to the carrying amount of Fixed Assets is (-) ₹ 3.76 crore and (previous year (-) ₹ 3.06 crore).

ii) The amount of exchange differences (net) credited to the statement of profit & loss is ₹ 0.02 crore (previous year debit of ₹ 0.02 crore)

E. Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year are ₹ NIL crore (previous year ₹ NIL crore).

F. Disclosure as per Ind AS 17 on 'Leases'

Operating Lease

i Leases as lessee

Expenses on operating leases of the premises for residential use of employees amounting to ₹ 0.72 crore (previous year ₹ 1.03 crore) are included in Note No.27 - Employee Benefits expense.

G. Disclosure as per Ind AS 36 on Impairment of Assets

As required by IND AS 36 on 'Impairment of Assets', the Company has carried out study of external and internal indicators. Based on such assessment there are no signs of impairment.

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

H. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ Crore

Particulars	Current year	Previous year
a) Amount remaining unpaid to any supplier:		
Principal Amount	4.65	2.13
Interest due thereon	-	-
b) Amount of interest paid in terms of section 16 of the MSMED Act alongwith the amount paid to the suppliers beyond the appointed day	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d) Amount of interest accrued and remaining un paid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act	-	-

For S.Sonny Associates
Chartered Accountants
FRN : 003935S

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

(S.Sundar)
Partner
M.No.023425

For and on behalf of the Board of Directors

(Amit Garg)
Company Secretary

(M.Maheswari Bai)
Director

(Prakash Tiwari)
Chairman

(Debasis Sarkar)
CEO

(Evani Sastry)
CFO

Place : Chennai
Dated : 24th May 2018

S.SONNY ASSOCIATES
Chartered Accountants

11, Balu Street, Thiruvanmiyur, Chennai - 600041.
Phone : 2442 2433 Telefax : 2442 2422
Cell : 9841021622, 9940035794
E-mail : ssonnyassociates@yahoo.co.uk
ssonnyassociates@gmail.com

INDEPENDENT AUDITORS' REPORT

To

The Members of NTPC Tamilnadu Energy CompanyLimited

Report on the Separate Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements ofNTPC Tamilnadu Energy Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statementof Cash Flows 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 SeparateInd 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 separateInd AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 separateInd 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 separateInd AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunderand the Order issued under Section 143(11) of the Act.

We conducted our audit of the separateInd 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 separateInd 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 separate Ind AS financial statements. The procedures selected depend on the

S. SONNY ASSOCIATES CHENNAI CHARTERED ACCOUNTANTS auditor's judgement, including the assessment of the risks of material misstatement of the separate 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 separate 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 Company's Directors, as well as evaluating the overall presentation of the separate Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate 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 separate 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 accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2018, and its profit (financial performance including other comprehensive income), 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

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

   (d) In our opinion, the aforesaid separate Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company.

   (f) With respect to the adequacy of the internal financial controls with reference to financialstatements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 36to the financial statements.

ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. However, the Company does not have any derivative contracts.

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

3. As per the direction issued by C&AG of India under Section 143(5) of the Companies Act, 2013 we report that:-

i. The Company is having clear title for entire land except for 75 acres of freehold land valuing ₹19.42 crore and 62.81 acres of leasehold land valuing ₹ 24.21crore. According to the information and explanation given to us, reasonable steps are being taken by the Company for getting the titles of these lands in its favour.

ii. The Company is in the business of generation and transmission of electricity. The allocation of electricity to the various State Distribution Companies is made by the Ministry of Power, Govt. of India and the company sells the power to the State Discoms. The Company does not provide loan to any of its customers. However, the advances are given to some of its project executing agencies and same is being adjusted against their bills. The loan and advances are also given to its employees and the same is recovered from their salary. According to information and explanations given to us, there are no cases of waiver/ write off of debts/ loans/ interest etc.

iii. The records are maintained by the company for inventories lying with the third parties and according to information and explanations given to us, there is no case of gift received by the Company from Government or other authorities.

For **S.Sonny Associates**
Chartered Accountants
FRN –003935S

S. SONNY ASSOCIATES * CHENNAI * CHARTERED ACCOUNTANTS

[S.Sundar]
Partner
M. No.023425

Place: Chennai
Date: 24th May 2018

ANNEXURE 1 TO THE INDEPENDENTAUDITORS' REPORT

Annexure referred to in our report of even date to the members of NTPC TAMILNADU ENERGY COMPANY LIMITED on the accounts for the year ended 31st March 2018

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. (Property, Plant & Equipment).

(b) The fixed assets have been physically verified by the management according to a regular programme of verification so to cover all assets over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has satisfactory title to all assets appearing in the balance sheet except for 75 acres of freehold land valuing₹19.42 crore and 62.81 acres of leasehold land valuing₹24.21crore. The Company is taking appropriate steps for completion of legal formalities in this regard.

(ii) The inventory has been physically verified by the management at reasonable intervalsand material discrepancies noticed on physical verification have been properly dealt with in the books of accounts.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

In view of the above, the clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) The Company has not advanced any loans, given any guarantees or provided any security, to any of its Directors or to any other person in whom the Director is interested as envisaged under Section 185 of the Act, or made any investment during the year as envisaged under Section 186 of the Act. In view of the above, clause 3(iv) of the order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits under Section 73 to 76 and under any relevant provision of the Act from the pubic during the year. Hence the provision of clause (v) of the order is not applicable to the company.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act read with Companies (Cost

S. SONNY ASSOCIATES CHARTERED ACCOUNTANTS CHENNAI

Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) a) According to the records of the company and information and explanation given to us, the company has been regularly depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues.

According to the information and explanations given to us, as on Balance Sheet date, the company has no undisputed liability in respect of Sales Tax, Income Tax, Custom Duty and Excise Duty and other statutory dues (as applicable) outstanding for a period of more than six months from the date they become payable.

(b) There are no pending dues as at year end which have not been deposited on account of any dispute.

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

(ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

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

(xi) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to Government Companies. Therefore, clause 3(xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore the Provisions of Clause 3 (xii) of the Order are not applicable to the Company.

(xiii) The Company has complied with the provisions of Section 177 and 188 of the Act, with respect to transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS *
CHENNAI

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with the directors as covered under Section 192 of the Act.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence this clause is not applicable to the Company.

For **S.SONNY ASSOCIATES.**
Chartered Accountants
Firm Reg. No. **003935S**

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

Place: **CHENNAI**
Date: **24TH MAY 2018**

S.SUNDAR
Partner
M. No.**023425**

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of NTPC TAMILNADU ENERGY COMPANY LIMITED on the accounts for the year ended 31st March 2018

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

We have audited the internal financial controls with reference to financial_statements of NTPC Tamilnadu_Energy_Company Private Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the 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 with reference to financial statements based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements 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 control system with reference to financialstatements and their operating effectiveness. Our audit of internal financial control with reference to financial statements included obtaining an understanding of internal financial control with reference to financialstatements, 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 control system with reference to financial statements.

S. SONNY ASSOCIATES * CHARTERED ACCOUNTANTS * CHENNAI

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **S.Sonny Associates.**
Chartered Accountants
Firm Reg. No. **003935S**

S. SONNY ASSOCIATES * CHENNAI * CHARTERED ACCOUNTANTS *

[**S.Sundar**]
Partner
M. No. **023425**

Place: **Chennai**
Date: **24th May 2018**

Govt mail 18-19

Confidential

भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

सत्यमेव जयते

Indian Audit and Accounts Department

Office of the Principal Director of Commercial Audit and ex-officio Member Audit Board, Chennai

NO: PDCA/CA-I/4-277/NTECL A/cs/2018-19/205 **Dated: 23 July 2018**

To

The Chairman,
NTPC Tamilnadu Energy Company Limited,
Vallur Thermal Power Project,
NCTPS (PO) Thiruvallur District,
Chennai -600120

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the financial statements of NTPC Tamilnadu Energy Company Limited for the year ended 31 March 2018.

I am to forward herewith the comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013, on the financial statements of NTPC Tamilnadu Energy Company Limited for the year ended 31 March 2018. Further 5 copies of the Printed Annual Report (2017-18) may kindly be furnished to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

23/07/18

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

Encl: Audit Certificate

CEO's Sectt. 31775 25/7/18 NTECL - Chennai

GM

25/7/18

इंडियन आईल भवन, स्तर - 2, 139, महात्मा गाँधी मार्ग, चेन्नै 600 034

Indian Oil Bhavan, Level - 2, 139, Mahatma Gandhi Road, Chennai - 600 034

Tel. : 044-28330147 Fax : 044-28330142/45 e-mail : mabchennai@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NTPC TAMILNADU ENERGY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of NTPC Tamilnadu Energy Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of NTPC Tamilnadu Energy Company Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

23/07/18

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

Place: Chennai
Date: 23 July 2018

NTPC Tamil Nadu Energy Company Limited

CIN: U40108DL2003PLC120487

Regd. Office: NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003

Tel. no.: 011-24387789 Fax: 011-24360241

Email: amitgarg@ntpc.co.in; Website: www.ntpcntecljv.co.in

ATTENDANCE SLIP

15TH ANNUAL GENERAL MEETING TO BE HELD ON 14th September, 2018 at 12.00 Noon

NAME OF THE ATTENDING MEMEBR
(IN BLOCK LETTERS)

*Folio No.

DP ID No.

Client ID No.

No. of shares Held

NAME OF PROXY
(IN BLOCK LETTERS, TO BE FILLED
IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)

I, hereby record my presence at 14th Annual General Meeting of the Company held on 14th September, 2018 at 12.00 Noon at NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003.

Signature of Member/ Proxy

*Applicable in case of shares held in Physical Form.

NOTES:

1. **Only Shareholder(s) present in person or through registered proxy shall be entertained.**
2. **No gifts will be distributed at the Annual General Meeting.**

****

NTPC Tamil Nadu Energy Company Limited

CIN: U40108DL2003PLC120487
Regd. Office: NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road,
New Delhi-110 003
Tel. no.: 011-24387789 Fax: 011-24360241
Email: amitgarg@ntpc.co.in; Website: www.ntpcntecljv.co.in

FORM OF PROXY

Name of the member (s):	
Registered address:	
Folio No/ DP ID- Client Id:	
Email ID	
No. of Shares held	

I/We, being the member (s) of ………… shares of the above named company, hereby appoint:

1.	Name:		
	Address:		
	E-mail Id:		
		Signature:	
Or failing him			
2.	Name:		
	Address:		
	E-mail Id:		
		Signature:	
Or failing him			
3.	Name:		
	Address:		
	E-mail Id:		
		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held 14th September, 2018 at 12.00 Noon at NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of audited financial statements of the Company for the year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Smt. Mahadevan Maheswari Bai (DIN: 07160357), who retires by rotation		
3.	Fixation of remuneration of Statutory Auditors		

Special Business			
4.	Appointment of Shri Prakash Tiwari (DIN :08003157), as Director		
5.	Appointment of Shri C.V.Anand (DIN: 08087484), as Director		
7.	Ratification of remuneration of the Cost Auditors for the financial year 2018-19		

Signed this…… day of……… 2018

Affix Revenue Stamp of Rs.1/-

Signature of shareholder

Signature of Proxy holder(s)

NOTES:

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. The Proxy Form should be signed across the stamp as per specimen signature registered .

3. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.