



NLC TAMILNADU POWER LIMITED

**11th Annual Report
2016 - 2017**

Vision

“To strive for operational excellence in Power Generation and to emerge as environmental friendly and socially responsible leading Power Company”.

Mission

- i. To strive towards greater cost competitiveness and work towards continued financial strength;
- ii. To continually imbibe best practices from the best Indian and International Organisations engaged in Power Generation;
- iii. To play an active role in society and be sensitive to emerging environmental issues.

**CHAIRMAN**

Dr. Sarat Kumar Acharya

DIRECTORS

Shri. Rakesh Kumar

Shri. V. Thangapandian

Shri. P. Selvakumar

Shri. Mukesh Choudhary

Smt. S.Geetha

CHIEF EXECUTIVE OFFICER

Shri. M. Prabhagar

CHIEF FINANCIAL OFFICER

Shri. V.N. Babu

COMPANY SECRETARY

Shri. R.Jayasarathy

STATUTORY AUDITOR

Ramesh and Ramachandran,
Chartered Accountants,
(Old No. 29/3), New No.39,
Viswanathapuram Main Road,
Kodambakkam, Chennai - 600 024.

SECRETARIAL AUDITOR

Shri. R. Balasubramaniam,
Practicing Company Secretary,
Door No.27, Flat No. A2,
J Block, Second Street,
Anna Nagar East,
Chennai - 600 102.

COST AUDITOR

M. Krishnaswamy & Associates,
Cost Accountants,
Flat 1K, Ramaniyam Ganga,
Door No. 27-30,
First Avenue, Ashok Nagar,
Chennai - 600 083.

REGISTERED OFFICE

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

**PRINCIPAL BANKERS
&
FINANCIAL INSTITUTIONS**

Bank of Baroda
Bank of India
Allahabad Bank
Syndicate Bank
Dena Bank
Punjab & Sind Bank
Indian Bank
Corporation Bank
Bank of Maharastra
Oriental Bank of Commerce
State Bank of India
Canara Bank
Central Bank of India
Power Finance Corporation Ltd.,

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**DIRECTORS' REPORT FOR THE YEAR 2016-2017**

To

The Members,
NLC Tamil Nadu Power Limited.Your Board of Directors have great pleasure in presenting the 11th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2017.**Performance****Physical**

The 2x500 MW Thermal Power Plant at Tuticorin has achieved its Commercial Operation Declaration (COD) during the year 2015-16 i.e. Unit-1 on 18th June, 2015 and Unit-2 on 29th August, 2015. During the year 2016-17, 6252.74 MU of Power was generated (excluding surrender of Power 891 MU by various DISCOMS) registering a growth of 71.05 % over 2015-16.

The details of Generation and Export of Power during the financial year 2016-17 are furnished below:

	Power Generation (MU)		Power Export (MU)	
	2016-17	2015-16	2016-17	2015-16
Unit-1	3069.236	1982.629	2850.365	1797.073
Unit-2	3183.507	1672.783	2956.486	1516.226
Total	6252.743	3655.412	5806.851	3313.299

During the year 2016-17, the first full year of commercial operation, the Thermal Units have registered an annual PLF at 71.38%. The Company had achieved the Plant Availability Factor at 80.34% against the norms of 83.00%. The reason for shortfall in attaining the target was mainly due to surrender of 891 MU of Power by various DISCOMS.

Productivity

The output per man shift achieved during the year 2016-17 is given below:

Product	Unit	2016-17
Power	KW hr	108119

Financial

Financial parameters achieved (MoU Target Vs Actual) during the financial year 2016-17 is furnished below:

Financial Parameter	MoU Target 2016-17	Actual 2016-17
Revenue from operations (Net of excise duty)	Rs.2527.25 crore. (excluding energy/fuel charges for the power surrender of 891 MU)	Rs. 2546.53 crore
Operating profit as a percentage of Revenue from Operations	33.82	37.42



During the year ended 31st March 2017, the Company in its first full year of operation registered a Power sales of Rs.2524.07 crore as against Rs. 1218.17 crore recorded in the year 2015-16.

The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2016-17 are Rs. 135.28 crore and Rs.87.85 crore respectively, as against the PBT and PAT of (Rs.244.72 crore) and (Rs.160.03 crore) respectively registered in the year 2015-16.

The details of financial results of the Company for the year 2016-17 and 2015-16 are as under:

Particulars	(Rs. in crore)	
	2016-17	2015-16
Total Income	2624.10	1231.20
Total Expenditure	1671.17	890.00
Gross Margin	952.93	341.20
Depreciation	360.47	268.61
Finance Cost	457.18	317.31
Profit Before Tax	135.28	(244.72)
Deferred tax	(47.43)	84.69
Profit After Tax	87.85	(160.03)

Project Funding

Revised Cost Estimate-II (RCE-II) of 2x500MW Tuticorin Thermal Power Project approved by the Ministry of Coal at Rs.7293.48 crore (June-2015 price level).

As per the prevalent norms, the project is to be funded with an equity and debt in the ratio of 30:70. As on 31st March, 2017 the total equity share capital of Rs.2188.04 crore has been fully subscribed by the Promoters viz., NLC India Limited (NLCIL) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) in the ratio of 89:11.

The Company has availed Rupee Term Loans from Bank of Baroda Consortium for Rs.2500 crore and Bank of India Consortium for Rs.937 crore and during the year 2016-17, the Term Loans outstanding with Bank of Baroda Consortium and Bank of India Consortium for Rs.3093.30 crore was refinanced by Power Finance Corporation Limited. In addition to above and to avail the total debt capital facility of Rs.5105.44 crore as per RCE-II, the Company had also availed Rupee Term Loan of Rs.1184.92 crore from Power Finance Corporation Limited.

The balance debt facility of Rs.483.52 crore Rupee Term Loan has been tied up with Bank of India.

The total debt outstanding of the Company as on 31.03.2017 is Rs.3940.35 crore.

MoU Rating for the year 2016-17

Your Company has achieved "Good" rating for its performance during 2016-17 in terms of the Memorandum of Understanding (MoU) entered into with NLC India Limited (Holding Company) as per DPE guidelines.

Status of Project Package Contracts

Performance Guarantee (PG) Tests of various packages are getting completed progressively and this is being closely followed up.

Residual works as per project sanction like balance Roads & drains, phase-II of Residential quarters, construction of miscellaneous buildings for housing, the repair shop, work shop etc., are in various stages of completion and the same is being followed up for expeditious completion.

**Supply of Coal**

Your Company has signed a Fuel Supply Agreement (FSA) with Mahanadi Coalfields Ltd. (MCL), for the supply of 3 Million Ton Per Annum (MTPA) of coal of 3700 GCV. Regular supply of coal under FSA commenced since October, 2015 and MCL has supplied 1.45 Million Ton of coal for the year 2016-17. In order to meet the shortfall in indigenous coal supply, imported coal was procured through e-procurement with e-reverse auction methodology so as to reduce the cost of coal by creating global competition. During the year, 2.164 Million Ton of imported coal was procured. FSA was signed on 14.09.2016 with Eastern Coalfields Ltd., (ECL) for the supply of 0.3 MTPA of G4 grade coal (6300 GCV) and a side agreement has also been entered with ECL to supply 1.0 MTPA of G4 grade coal (6300 GCV).

Consequent to signing of FSA with ECL, the FSA coal quantity from MCL was reduced from 3 MTPA to 2.565 MTPA.

Fly Ash Disposal

Fly Ash is being sold through e-Auction to Cement/Useful building materials Manufacturing Companies. Fly ash is being supplied at free of cost to Brick Manufacturers as per Ministry of Environment and Forest (MoEF) guidelines. During the year 645787 Tons of fly ash was disposed.

Bottom Ash Disposal

As of now, 100% of bottom ash is being utilized for filling up of low lying area within the plant boundary and also issued to cement and Bricks manufacturing companies. However Ash Dyke is proposed to be constructed as a permanent measure for the disposal of bottom ash.

Land for Ash Dyke

The Govt. of Tamil Nadu accorded administrative sanction for acquisition of land for the Ash Dyke for NTPL Plant to the extent of 286.21 acres in Melpandiapuram Village, Ottapidaram Taluk in Thoothukudi under the provisions of the Tamil Nadu Industrial Purposes Act, 1197 (Act 10 of 1997). Compensation has already been disbursed to the land owners except for about 4.25 acres, which is also under progress. Complying with the extant procedure is in progress for taking physical possession of the lands.

Commercial**Power Allocation**

The power share allocation is as follows:

Beneficiary State/UT	MW	%
Andhra Pradesh	127.37	12.737
Karnataka	207.30	20.730
Kerala	72.50	7.250
Tamil Nadu	416.70	41.670
Telangana	150.13	15.013
Puducherry	26.00	2.600
Total	1000	100



Power Tariff

Central Electricity Regulatory Commission (CERC) constituted under the Electricity Regulatory Commission Act, 1998, determines the Power tariff for generating companies owned or controlled by the Central Government and also for generators selling power to more than one State. For your Company the tariff petition for the period from the date of COD to 2019 has been filed with CERC and in this regard final order for Power Tariff was issued by CERC during July, 2017.

Power Dues / Realisation

The outstanding power dues of the Company as on 31.03.2017 against the corresponding power dues as on 31.03.2016 is tabulated below: (Rs. in crore)

	Power dues as on 31.03.2017	Power dues as on 31.03.2016
Normal dues (within 60 days)	275.22	393.93
Overdue (beyond 60 days)	767.95	333.03
Total	1043.17	726.96

Steps taken by the Company to improve power dues realisation in 2016-17

The Realisation from the power sales for the year 2015-16 was Rs.496.84 crore and the same for the year 2016-17 amounted to Rs.2262.62 crore. The improvement in the realisation of power dues from the beneficiaries was mainly on account of persistent follow up with respective DISCOMS through written communication at the highest levels, periodical visits to the offices of the DISCOMS etc.

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

Energy Conservation Programme

Your Company in association with "The Institution of Engineers (India) – Tuticorin Local Centre" organized an All India Seminar "Solutions for Emerging Challenges in Industries" on 5th and 6th January 2017.

Energy Conservation Week was celebrated from 14th December, 2016 to 20th December 2016 during which energy conservation and efficiency measures were disseminated in and around the Company through campaigning, distribution of pamphlets, conducting competition for employees - Slogans / Suggestions / Posters / Drawing / Training programme for Spouses etc.

Action has been taken to implement the Energy & Efficiency Management System in Turbine & Main Auxiliaries and Natural Draught Cooling Towers for one of the units of the thermal plant and further step is being initiated to replace the lights with LED lights.

Technology Absorption: Nil

Expenditure incurred on Research & Development: Nil

Foreign Exchange Earnings and Outgo:

Foreign Exchange inflow: Nil

Foreign Exchange outflow: Rs. 236.94 crore

Risk Management

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

Compliance under Persons with Disabilities Act, 1995

Your Company ensures compliance of provisions under the Persons with Disabilities Act, 1995 and as per the guidelines of Department of Personnel & Training (DoPT). Your Company has provided certain facilities/ amenities to PwDs to meet their requirements so as to enable them to effectively discharge their duties.



Compliance under the Right to Information Act, 2005

During the year 2016-17, there were twenty-three applications referred to the Company and the information sought were furnished in time and there were no appeals to the Commission against the information furnished.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy and in terms of the said notification, an annual target for the year 2016-17 for procurement from MSME was at 20% and the same was attained.

Human Resource Management

Your Company takes pride in its competent and highly motivated human resource significantly contributing to the growth and mission of the company. Your Company maintains harmonious and cordial relationship among the employees and with other stakeholders that leads to achieving organizational as well as individual goals. Human resource has been the backbone of the Company. The thrust on achieving higher growth and optimal utilization of manpower continued in the year under review also. The total manpower of the Company as on 31st March, 2017 stood at 233 excluding contract workmen.

Employee Development

Your Company is continuously promoting training (including Apprentices Training), learning initiatives for skill and competency building for not only its own employees but also for the contract workmen. The training programme and module includes areas of Management, Computer, functional areas of thermal, skill development, safety, CSR etc.

Industrial Relations

In general, the industrial relations scenario of the organization remained by and large peaceful and cordial during the year 2016-17.

Welfare Activities

- ❖ Eye camp was conducted for the benefit of public and about 460 peoples were benefited.
- ❖ Blood donation camp was arranged and about 300 persons donated blood to government hospital, Tuticorin
- ❖ Drinking water is supplied to nearby Tsunami colony and labour colony people.

Township

The Township for the employees of NTPL was established in the year 2013 with 93 Quarters in the Phase-I and the expansion of the same with addition of 154 Quarters in phase-II is under progress. The Township is provided with various facilities taking care of the needs of the employees and their families.

Environmental Management & Sustainable Development Projects

Your Company practices and promotes the best environment management and is committed to environment friendly power generation. Your Company continues to plant trees in order to maintain the green belt and so far about 20,000 trees have been planted in the Thermal Plant, Township premises and Port Trust area which helps in maintaining clean environment, dust suppression, noise control, lowering the atmospheric temperature and maintaining ecological balance.

Safety

Your Company has taken many measures to maintain a safe working environment at work places viz., regular safety awareness training for contract workers, training programme for executives, routine inspection for safety and house-keeping at various work locations, mock drill for fire and rescue, periodical meetings to review the safety measures, display of safety sign boards & display of safety awareness message in LED board.



Safety awareness training for contract workers & Orientation Class for contract workmen-fresher's have been conducted regularly and more than 2100 contract workers have attended the training in the year 2016-17.

Vigilance

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

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

As was done during the last year in order to impart vigilance awareness and ethical character education, programmes were conducted wherein more than 2000 school students of Tuticorin and Madurai participated. Customized training programmes were also conducted to sensitize the employees.

Management Discussion & Analysis Report and Report on Corporate Governance

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

Corporate Social Responsibility (CSR)

Your Company has a CSR Policy in compliance with the provisions of Companies Act,2013. During the year, an amount of Rs.46.93 lakh was spent towards providing 600 pairs of benches and desks to various Government schools in Tuticorin District under CSR activities. As per requirements of the Companies Act,2013, report on CSR activities is furnished in Annexure - 4.

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

- Construction of compound wall for Veppalodai Government school & Government ITI for a value of Rs. 60 lakh.
- Development and maintenance of green belt plantation along the road side from Tuticorin Thermal plant to roundana for a value of Rs.10.47 lakh.
- Development of green belt plantation in area opposite to NTPL Township for a value of Rs.23 lakh and
- Development and maintenance of green belt from VOC port guest house to coast guard for a value of Rs.18.13 lakh.

Particulars of Employee

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

Extract of Annual Return

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

Loans, Guarantees and Investments

During the year 2016-17, the Company has not granted any loan or guarantee or made any investments.

Transfer to Reserves

During the year 2016-17, no amount has been transferred to general reserve.



Deposits

During the year 2016-17, the company has not accepted any deposits from the public.

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

There were no material changes affecting financial position occurring between the date of Financial Statement and Directors' Report.

Sexual Harassment of women at Workplace

Employees of your Company are covered by the rules of the Holding Company, NLC India Limited. In this regard, a separate Committee has been constituted by NLC India Limited for looking into the complaints relating to Sexual Harassment of Women at workplace. During the year 2016-17, no complaints were received by the said Committee as regards to the employees of your Company.

AUDITORS

Statutory Audit

Ramesh and Ramachandran, Chartered Accountants, Chennai was appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2016-17, under Section 139 of the Companies Act, 2013. The Board of Directors of the Company have fixed Rs.1,75,000/- plus applicable service tax as the Statutory Audit Fees for the year 2016-17 in addition to reimbursement of out of pocket expenses at actual.

Secretarial Audit

Shri.R.Balasubramaniam, Practicing Company Secretary, Chennai was appointed as the Secretarial Auditor for the year 2016 -17. Secretarial Audit Report and reply to the observations of the Secretarial Auditor is furnished in Annexure - 6.

Internal Audit

J.Singh & Associates, Chartered Accountants, Chennai, has been appointed as the Internal Auditor of the Company for the financial year 2016-17.

Cost Audit

M.Krishnaswamy & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditor to conduct the Cost Audit for the power plant of the Company for the year 2016-17.

C&AG's Comments

C&AG's Comments on the Financial Statements for the year ended 31st March, 2017 and the Management reply to the said comments are furnished in Annexure - 7.

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013

The Board of Directors declares: -

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;



- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts on a going concern basis and
- e. the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Directors and Key Managerial Personnel

Smt.M.A.Helen (DIN:07346400) and Smt. S.Geetha (DIN:07770445) Directors representing TANGEDCO were inducted in to the Board as Additional Directors with effect from 03.10.2016 and 23.03.2017 respectively. Shri.S.Sambathkumar (DIN:07271417) Director and Smt.M.A.Helen,Additional Director representing TANGEDCO relinquished from the Board with effect from 03.10.2016 and 14.03.2017 respectively. Shri.A.R.Neelakanta Pillai relinquished as the Chief Executive Officer of the Company with effect from 01.03.2017 on attaining the age of superannuation and in his place Shri.M.Prabhagar was appointed as the Chief Executive Officer of the Company with effect from 01.03.2017.

The Board places on record its appreciation for the contribution made by Shri.S.Sambathkumar and Smt.M.A.Helen during their tenure as Directors on the Board of the Company. The Board also places on record its appreciation for the contribution made by Shri.A.R.Neelakanta Pillai during his tenure as the Chief Executive Officer of the Company.

Dr. Sarat Kumar Acharya (DIN:03357603) and Shri. V.Thangapandian (DIN:07255163), Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-election.

Acknowledgement

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

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

for and on behalf of the Board of Directors

Place : Neyveli
Date : 02.09.2017

Dr. SARAT KUMAR ACHARYA
CHAIRMAN

Management Discussion and Analysis Report

Industry Structure and Development

Power

Power is one of the most critical components of infrastructure for the economic growth and welfare of the nation. The existence and development of adequate availability of power is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar and agricultural and domestic waste.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances and manpower).

The total power generation installed capacity has increased from 1362 MW (Year-1947) to 326848.53 MW as on 31.03.2017. (Source : CEA - Executive Summary March, 2017).

Coal based Thermal Power stations are contributing 58.79% of the total Installed capacity. The renewable power plants constituted 17.52% of total installed capacity.

As per 12th Plan the target for the capacity addition of power was fixed at 88537 MW as against which addition made upto March, 2017 was 99209.47 MW, which is 112.05% of the target and Thermal Power capacity addition made upto March,2017 was 91730.45 MW as against the target of 72340 MW.

The Government of India has been supportive for the growth in the power sector and it has desired to set plans for adding 1 lakh MW of solar power generation capacity and to double wind power generation capacity to 60GW by the year 2022 so as to meet the power requirements.

Demand

During the year 2016-17 the power availability was 1134631MU as against the requirement of 1142092 MU, with the deficit of 0.7% and in the peak hours the deficit was 1.6%, at the power supply deficit of 2608 MW. In Southern Region, during the year 2016-17 the power availability was 305173MU as against the requirement of 305655 MU with the power supply deficit of 0.2% at 482 MW and in the peak hours the power supply deficit of 13 MW. Considering the GDP growth rate of 9% the Working Group on Power for 12th plan has projected an energy demand of 1993 BU in the terminal year of 13th plan (2021-22).

Production

During the year 2016-17, the aggregate all-India installed capacity of electric power generating stations was increased by 24760.69 MW. The electricity generation from all sources increased from 1107.82 BU in 2015-16 to 1159.84 BU in the year 2016-17 against the target of 1178 BU with a an overall growth rate of 4.70 %.

SWOT Analysis

Strength

- ❖ The Company has a defined Vision and Mission.
- ❖ The Promoter Companies viz. NLC India Limited (NLCIL) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) have best exposure and expertise in implementation and carrying out operation and maintenance of Power Projects/Plants.
- ❖ Experienced Management team with committed and experienced work force.
- ❖ Good financial support.
- ❖ Commitment to protect the stakeholder's interest.

Weakness

- ❖ Dependent on external suppliers for supply of required Coal.

Opportunities

- ❖ Development of power sector through renewable energy sources.
- ❖ Increase in the per capita consumption of power.
- ❖ Policy initiatives/ incentives for power sector.
- ❖ Launch of smart cities mission by the Government of India.

Threats

- ❖ Stringent norms being set by the Regulators.
- ❖ Surrender of power by DISCOMS.
- ❖ Realization of power dues from DISCOMS

Segment-Wise Performance

Company is not a Multi-segmented Company.

Outlook

Power

Coal based Thermal Plant

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

Risks and Concerns

- ❖ Stringent environmental norms prescribed by the respective authorities.
- ❖ Delay in acquisition of required land for Project/Plant requirement.
- ❖ Stringent operational norms prescribed by the Regulatory Authorities for the purpose of fixing the tariff.



Internal control systems and their adequacy

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

Discussion on Financial Performance with reference to operational performance

Covered in the main report.

Environmental Protection & Conservation, Technological Conservation, Foreign Exchange Conservation

Covered in the main report.

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

Covered in the main report.

Corporate Social Responsibility

Covered in the main report.

Cautionary Statement

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

for and on behalf of the Board of Directors

**Dr. SARAT KUMAR ACHARYA
CHAIRMAN**

Place : Neyveli

Date : 02.09.2017

**REPORT ON CORPORATE GOVERNANCE****Mandatory Requirements****Company's philosophy on Code of Corporate Governance**

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

Board of Directors

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

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

Present Composition of Board of Directors of the Company is not fully confirming to the composition approved by the Government of India since three Independent Directors (including one Independent Director from NLCIL Board) are required to be appointed on the Board of the Company. One Independent Director from the Board of NLCIL has been nominated as an Independent Director on the Board of the Company and would be appointed on the Board on issue of formal notification by the Ministry of Coal. The issue relating to the appointment of other two Independent Directors on the Board of the Company has been referred to the Ministry of Coal, the Administrative Ministry.

The particulars of the Board of Directors as on 31st March, 2017 and other details are furnished as follows:

Sl. No.	Name	Other Directorships held as on 31.03.2017	Other Committee* Membership held as on 31.03.2017	
			As Member	As Chairman
	Directors representing NLCIL			
1	Dr. Sarat Kumar Acharya (DIN:03357603)	2	-	-
2	Shri. Rakesh Kumar (DIN:02865335)	2	1	1
3	Shri. V. Thangapandian (DIN:07255163)	2	2	-
4	Shri. P. Selvakumar (DIN:07347130)	1	-	-
	Director representing TANGEDCO			
5	Smt. S.Geetha (DIN:07770445)	5	-	-
	Director representing Ministry of Coal			
6	Shri.Mukesh Choudhary (DIN:07532479)	1	-	-

*Audit Committee and Stakeholders Relationship Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions, subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative



and financial powers by the Board of Directors. Any proposal beyond the powers of CEO and particularly major decisions involving high value capital expenditure, annual plan, award of major contracts, mobilisation of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to personnel matters are decided only at the Meetings of the Board/ Sub-Committee of the Board as the case be applicable.

Date of Board Meetings and Directors’ Attendance

During the financial year 2016-17 seven meetings of the Board of Directors were held on the following dates:

7th May 2016, 9th July 2016, 12th September 2016, 10th October 2016, 9th December 2016, 18th February 2017 and 20th March 2017.

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

The details of attendance of Directors at the Board Meeting held during the financial year 2016-17 were as under:-

Sl. No.	Name	No. of Meetings attended out of 7 held	Remarks
1	Dr. Sarat Kumar Acharya	7	
2	Shri. Rakesh Kumar	7	
3	Shri. V.Thangapandian	7	
4	Shri. P.Selvakumar	7	
5	Shri. S.Sambathkumar	-	Relinquished w.e.f. 03.10.2016
6	Shri. Mukesh Choudhary	6	Inducted - w.e.f. 31.05.2016
7	Smt. M.A.Helen	-	Inducted - w.e.f. 03.10.2016 & Relinquished w.e.f. 14.03.2017
8	Smt. S.Geetha	-	Inducted w.e.f. 23.03.2017

Annual General Meeting Attendance

Dr.Sarat Kumar Acharya, Chairman, Shri Rakesh Kumar, Shri P. Selvakumar, Shri V.Thangapandian and Shri Mukesh Choudhary, Directors attended the last Annual General Meeting held on 12th September, 2016.

Board Committees

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

Sub-Committee of Board of Directors

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



Audit Committee

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

Presently the committee comprises Shri. Rakesh Kumar, Director as its Chairman and Shri V.Thangapandian, Shri P.Selvakumar and Smt S.Geetha, Directors as its Members. In the absence of Independent Directors on the Board, the Committee could not be constituted in accordance with the requirements of Companies Act,2013 and DPE Guidelines on Corporate Governance. On appointment of Independent Directors, the Committee will be reconstituted as per the requirements.

During the financial year 2016-17 five meetings of the Audit Committee of the Board Directos were held on the following dates:

7th May 2016, 9th July 2016, 12th September 2016, 9th December 2016 and 20th March 2017.

The details of attendance of Members at the Audit Committee Meetings of the Company held during the year 2016-2017 were as under:

Sl. No.	Name	No. of Meetings attended out of 5 held	Remarks
Chairman of the Committee			
1	Shri Rakesh Kumar	5	
Members			
2	Shri V.Thangapandian	5	
3	Shri P.Selvakumar	5	
4	Shri S.Sambathkumar	-	Relinquished w.e.f. 03.10.2016
5	Smt M.A.Helen	-	Inducted - w.e.f. 03.10.2016
6	Smt S.Geetha	-	Inducted - w.e.f. 23.03.2017

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

Corporate Social Responsibility Committee

The terms of reference of CSR Committee conform to the requirements of the provisions of the Companies Act,2013.

Presently the committee comprises Shri V.Thangapandian, Director as its Chairman and Shri Rakesh Kumar and Smt.S.Geetha, Directors as its Members. As stated earlier, in the absence of Independent Director on the Board, the present Composition of Committee do not comply with the provisions of the Companies Act, 2013. During the year 2016-17, one meeting was held on 9th December, 2016 and Shri V.Thangapandian and Shri Rakesh Kumar members were attended the said meeting.

Nomination and Remuneration Committee

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



Presently the Committee comprises Shri. Rakesh Kumar, Shri. V.Thangapandian & Smt. S.Geetha, Directors as its Members. In the absence of Independent Directors on the Board, the present composition of the Committee do not comply with the requirements of Companies Act, 2013 & DPE Guidelines on Corporate Governance. On appointment of Independent Directors, the Committee will be reconstituted as per the requirements.

No meeting has been held during the year under review.

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

Remuneration to Directors

No Remuneration/Sitting Fee is being paid to any Part-time Official Directors.

Code of Conduct

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

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2017".

General Body Meetings

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

Year	Date and Time	Venue
AGM 2013-14	24.09.2014 - 10-00 Hours	'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai-600 010.
AGM 2014-15	29.09.2015 - 10-00 Hours	'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai-600 010.
EGM	09.07.2016 - 17-00 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.
AGM 2015-16	12.09.2016 - 16-30 Hours	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.

Special Resolutions

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

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



Disclosures

Related Party Transactions

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

None of the Directors / KMPs of the Company are Inter-se related as on 31.03.2017.

Other Disclosures

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

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

Means of Communication

Financial statement is being reviewed by the Board represented by both the Promoters. No communication was made through newspaper/website.

Plant Location

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

Audit Qualification

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

Training of the Board Members

The Directors on the Board are fully aware of the business module of the Company. No training programme was undertaken by the Company for the Directors during the year 2016-17.

Whistle Blower Policy

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

Compliance

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

for and on behalf of the Board of Directors

Place : Neyveli

Date : 02.09.2017

Dr. SARAT KUMAR ACHARYA
CHAIRMAN



Ramesh and Ramachandran
Chartered Accountants

Annexure-3

(O) 29/3, (N) 39, Viswanathapuram Main Road, Kodambakkam, Chennai-600 024.
Ph: 24843667, 24843668, 24843639. E-mail: randrca@gmail.com FRN.002981S.

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
NLC Tamil Nadu Power Limited,

1. We have examined the compliance of conditions of Corporate Governance by NLC Tamil Nadu Power Limited for the year ended 31st March 2017 as stipulated in the Guidelines of Corporate Governance notified by Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of opinion on the financial statement of the company.
3. In our opinion and to the best of information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines of Corporate Governance notified by the DPE except the following:

Clause 3.1.4 of the DPE guidelines stipulates that at least 1/3rd of the Board members should be Independent Directors and clause 4.1.1 of the guidelines stipulates that 2/3rd of members of Audit committee shall be Independent Directors and further Clause 5.1 of the said guidelines states that the Remuneration Committee should be headed by an Independent Director. Consequent to relinquishment of two independent Directors with effect from 05.08.2014, DPE Guidelines on the composition of Board of Directors of the Company with regard to Independent Directors, the composition of Audit Committee with quorum to have minimum two Independent Directors and the composition of Remuneration Committee as to Independent Directors have not been complied with.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Ramesh and Ramachandran
Chartered Accountants
Firm Regn. No. 002981S

Place : Chennai
Date : 12.05.2017

G. SURESH
Partner
M No. 029366

**NLC TAMILNADU POWER LIMITED****Corporate Social Responsibility (CSR) Report**

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs Proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

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

2. The Composition of the CSR Committee

The Composition of CSR Committee of the Board of Directors as on 31.03.2017 was as under.

1. Shri. V. Thangapandian - Chairman
2. Shri. Rakesh Kumar - Member
3. Smt. S.Geetha - Member

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

Not applicable since the thermal power plant commenced its commercial operation only in the F.Y 2015-16.

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

The Company is not required to spend on CSR activities during the year under review as per the requirements of the Companies Act,2013. However CSR activity in connection with Promoting Education under Schedule VII of the Companies Act, 2013 was carried out.

5. Details of CSR spent during the financial year 2016-17 : Rs. 46.93 lakh

- a) Total amount to be spent for the financial year : NA
- b) Amount unspent, if any : NA



c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was under taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2)Over heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	Providing of Benches & Desks to Govt. Schools (600 pairs)	Promoting Education under subsection ii of schedule VII of the Companies Act, 2013.	Thoothukudi, Tamil Nadu	Rs.46.93 lakh	Rs.46.93 lakh	Rs.46.93 Lakh	Direct
	Total			Rs.46.93 lakh	Rs.46.93 lakh	Rs.46.93 lakh	

*Give details of implementing agency- The Company directly procured the items and distributed to the Government Schools identified by the Chief Education Officer, Thoothukudi.

6. In case of Company has failed to spend 2%of the average net profit of the last three financial years or any part thereof , the Company shall provide the reasons for not spending the amount in the Board Report : Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.
The Responsibility statement of the CSR Committee is given below:
The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/- xx xx xx

CHIEF EXECUTIVE OFFICER

Sd/- xx xx xx

CHAIRMAN / CSR COMMITTEE



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2017

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : U40102TN2005GOI058050
 ii) Registration Date : 18/11/2005
 iii) Name of the Company : NLC TAMILNADU POWER LIMITED
 iv) Category / Sub-Category of the Company : Government Company
 v) Address of the Registered Office and contact details :

Address	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet.
Town / City	Chennai
State	Tamil Nadu
Pin Code:	600 031
Country Code	IN
Telephone	044 - 28364613-16
Fax Number	044 - 28364619
Email Address	cosec.ntpl@nlcindia.com
Website	www.ntplpower.com

vi) Whether listed Company : No

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Power	35102	99.10%

III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

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



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp*		196,22,72,727	196,22,72,727	100	-	218,80,42,000	218,80,42,000	100	-
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1)		196,22,72,727	196,22,72,727	100	-	218,80,42,000	218,80,42,000	100	-
(2) Foreign									
a) NRIs -Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2)		196,22,72,727	196,22,72,727	100	-	218,80,42,000	218,80,42,000	100	-
Total share holding of Promoter (A)=(A)(1)+(A)(2)		196,22,72,727	196,22,72,727	100	-	218,80,42,000	218,80,42,000	100	-

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

B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)		0	0	0	-	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs.1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others (specify)									
Sub-total (B)(2)		0	0	0	-	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)		0	0	0	-	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs		0	0	0	-	0	0	0	0
Grand Total (A+B+C)		196,22,72,727	196,22,72,727	100	-	218,80,42,000	218,80,42,000	100	-



(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	NLC India Limited	174,64,22,727	89	-	1947357380	89	-	-
2	Tamilnadu Generation and Distribution Corporation Limited	21,58,50,000	11	-	240684620	11	-	-
	Total	196,22,72,727	100	-	218,80,42,000	100	-	-

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

SI No.	Particulars	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	196,22,72,727	100	196,22,72,727	100
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc).	1,85,49,273* (Date - 07.05.2016)	100	1,85,49,273	100
		20,72,20,000* (Date - 09.12.2016)	100	20,72,20,000	100
3.	At the end of the year	218,80,42,000	100	218,80,42,000	100

*Allotment

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



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
	Dr. Sarat Kumar Acharya At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2017)	100	-	100	-
	Shri. Rakesh Kumar At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2017)	100	-	100	-
	Shri. V. Thangapandian At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2017)	100	-	100	-
	Shri. P.Selvakumar At the beginning of the year	100	-	100	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NA			
	At the end of the year (as on 31.03.2017)	100	-	100	-

* Shares are held in the name of Directors on behalf of NLC India Ltd., the promoter Company.
No KMP is holding any shares in the Company.



V. INDEBTEDNESS

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

Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4868,62,20,940	320,00,00,000	0.00	5188,62,20,940
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	4868,62,20,940	320,00,00,000	0.00	5188,62,20,940
Change in Indebtedness during the financial year				
Addition*	0.00	200,00,00,000	0.00	200,00,00,000
Reduction	347,68,09,747	0.00	0.00	347,68,09,747
Net Change	(347,68,09,747)	200,00,00,000	0.00	(147,68,09,747)
Indebtedness at the end of the financial year				
i) Principal Amount*	4519,51,18,019	520,00,00,000	0.00	5039,51,18,019
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1,42,93,174	0.00	0.00	1,42,93,174
Total (i+ii+iii)	4520,94,11,193	520,00,00,000	0.00	5040,94,11,193

* Including working capital

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) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission				
	- as % of profit	0.00	0.00	0.00	0.00
	- others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	0.00	0.00	0.00	0.00
	Ceiling as per the Act	NA	NA	NA	NA



B. Remuneration to other Directors						Rs.
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-	-	-	-	
1.	Independent Directors					
	· Fee for attending Board/Committee Meetings	0.00	0.00	0.00	0.00	0.00
	· Commission	0.00	0.00	0.00	0.00	0.00
	· Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00	0.00	0.00
2.	Other Non-Executive Directors					
	· Fee for attending Board/Committee Meetings	0.00	0.00	0.00	0.00	0.00
	· Commission	0.00	0.00	0.00	0.00	0.00
	· Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	0.00	0.00	0.00	0.00	0.00
	Total Managerial Remuneration	0.00	0.00	0.00	0.00	0.00
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Sharvasri)					Total
		M.Prabhagar CEO (from 01.03.2017 to 31.03.2017)	V.N.Babu CFO	R.Jayasarathy Company Secretary	S.Sathyanarayanan CEO (from 01.04.2016 to 30.04.2016)	A.R.Neelakanta Pillai CEO (from 01.05.2016 to 28.02.2017)	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	2,10,390	16,99,629	15,44,373	7,63,516	33,22,531	75,40,439
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	3,115	3,823	14,145	0	23,108	44,191
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0	0
	Total	2,13,505	17,03,452	15,58,518	7,63,516	33,45,639	75,84,630

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

for and on behalf of the Board of Directors

Place : Neyveli

Date : 02.09.2017

Dr. SARAT KUMAR ACHARYA

CHAIRMAN



R. BALASUBRAMANIAM
B.A., B.L., F.C.S.
Company Law Consultant
Email ID: balu_comsec@yahoo.com
Contact No: 044 - 26269826

Door No. 27, Flat No. A2,
J" Block, Second Street,
Anna Nagar East,
Chennai – 600102.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To,
The Members,
NLC Tamil Nadu Power Limited.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
(Not applicable to the Company during the Audit period)
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
(Not applicable to the Company during the Audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings;
(Not applicable to the Company during the Audit period)



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011; **(Not applicable to the Company during the Audit period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit period)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period)** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). **(Not applicable to the Company during the Audit period)**

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

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

I have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Standards).
- (ii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises. (DPE Guidelines).



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., subject to the following observations:

1. The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as approved by the Ministry of Coal and as prescribed under the Act & DPE Guidelines.
2. The composition of the Audit Committee and Nomination & Remuneration Committee did not comply with the requirements as prescribed under the Act & DPE Guidelines.
3. The composition of Corporate Social Responsibility Committee did not comply with the requirements as prescribed under the Act.
4. Further, for a part of the year, the requirement to have at least one woman Director on its Board as prescribed under the Act have not been complied with.

I further report that:

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

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

All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

Place : Chennai
Date : 12.05.2017

R. Balasubramaniam
Practicing Company Secretary
FCS No. 2397
C. P. No. 1340

**Reply to the observations of Secretarial Auditor**

Sl. No	Secretarial Auditor's Observations (as per Sl. No of the report)	Reply to the Observations of Secretarial Auditor
1.	The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as approved by the Ministry of Coal and as prescribed under the Act & DPE Guidelines.	The Company is a Government Company and appointment of Directors (other than Directors representing in ex-officio capacity of the promoters Companies) is being made by the Ministry of Coal, Government of India, the administrative Ministry. Hence the power to appoint Independent Directors including a woman Director vests with Government of India. The Ministry of Coal was apprised of the requirements and requested for taking necessary action.
2.	The composition of the Audit Committee and Nomination & Remuneration Committee did not comply with the requirements as prescribed under the Act & DPE Guidelines.	In the absence of Independent Directors (including a woman Director) on the Board the requirements as prescribed could not be complied with.
3.	The composition of Corporate Social Responsibility Committee did not comply with the requirements as prescribed under the Act.	
4.	Further, for a part of the year, the requirement to have at least one woman Director on its Board as prescribed under the Act have not been complied with.	

for and on behalf of the Board of Directors

**Dr. SARAT KUMAR ACHARYA
CHAIRMAN**

Place : Neyveli
Date : 02.09.2017

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NLC TAMILNADU POWER LIMITED FOR THE YEAR ENDED 31 MARCH, 2017.**

The preparation of financial statements of NLC Tamilnadu Power Limited for year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NLC Tamilnadu Power Limited for the year ended 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Statement of Profit and Loss

Depreciation and amortization expense (Note 25) - Rs. 36046.75 lakh

Profit for the period - Rs. 8785.21 lakh

Balance Sheet - Non Current Assets

Property, Plant and Equipment (Note 2) - Rs. 623897.65 lakh

The full cost of the common assets was not capitalized at the time of commissioning of Unit-I of the plant and was apportioned equally between Unit-I and Unit-II of the Plant at the time of commissioning of Unit-II, two months later in the year 2015-16. The delay in capitalization of common assets, by two months, has resulted in undercharging of depreciation to the tune of Rs.716.19 Lakh. This has resulted in understatement of Depreciation and amortization expense, overstatement of Profit and overstatement of Non-Current Assets by Rs.716.19 lakh.

B. Notes to the Financial Statements

The Company held and transacted Specified Bank Notes and Other Denomination Notes during the period from 08.11.2016 to 30.12.2016. The disclosure in this regard as per the provisions of the notification issued by the Ministry of Corporate Affairs on 30.03.2017 was however, not made in the Financial Statements. Further, the statutory auditor instead of reporting the non-disclosure in his Audit Report wrongly stated that the Company did not have any holding or dealings in Specified Banks Notes during the period from 8 November 2016 to 30 December 2016.

**for and on behalf of the Comptroller &
Auditor General of India**

Place: Chennai

Date : 29.07.2017

(G.SUDHARMINI)

**Principal Director of Commercial Audit &
Ex-Officio Member Audit Board, Chennai.**

**Management's Reply to the comments of the Comptroller and Auditor General of India**

A. The Capitalisation of common assets will be reviewed in the current financial year 2017-18 and the accounting treatment of Depreciation will be carried out with retrospective effect accordingly.

B. The details of Specified Bank Notes (SBN) deposited in the Bank account of the Company during the period from 8th November, 2016 to 30th December 2016 are furnished hereunder:

in Rs.

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing balance in hand as on 08.11.2016	-	-	-
(+) Cash Withdrawn from bank	-	21,85,000	21,85,000
(+) Permitted Receipts	-	4,860	4,860
(+) Receipt in SBN*	24,500	-	24,500
(-) Permitted Payments	-	21,55,000	21,55,000
(-) Amount deposited in Banks	24,500	34,860	59,360
Closing balance in hand as on 30.12.2016	-	-	-

* The deposits in SBN represents the receipts from 08.11.2016 to 30.12.2016 as given below:

(a) Cash deposited directly by students who underwent "In plant training program" - Rs. 13,000.

(b) Guest House receipts are received and deposited by caretaker in the bank Account - Rs. 11,500.

for and on behalf of the Board of Directors

Place : Neyveli

Date : 02.09.2017

**Dr. SARAT KUMAR ACHARYA
CHAIRMAN**



**Ramesh and Ramachandran
Chartered Accountants**

(o) 29/3, (N) 39, Viswanathapuram Main Road, Kodambakkam, Chennai-600 024.
Ph : 24843667, 24843668, 24843639. E-mail : randrca@gmail.com FRN. 002981S.

INDEPENDENT AUDITOR'S REPORT

To

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

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. NLC Tamil Nadu Power Limited**, ("the Company"), which comprises the Balance Sheet as at March, 31 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As per the directions and sub-directions issued by the Comptroller and Audit General of India, in pursuance to Section 143(5) of the Act, we give in the Annexure '2', a statement on the matters specifically so directed.
3. 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 purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representation received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 3".
 - (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 in its financial position in its financial statements - Refer Note XI on Contingent Liabilities to the significant accounting polices forming part of financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

For Ramesh and Ramachandran
Chartered Accountants
ICAI Firm Regn. No. 02981S

Place : Chennai
Date : 12.05.2017

G. Suresh
Partner
Membership Number. 029366



**Ramesh and Ramachandran
Chartered Accountants**

(O) 29/3, (N) 39, Viswanathapuram Main Road, Kodambakkam, Chennai-600 024.
Ph : 24843667, 24843668, 24843639. E-mail : randrca@gmail.com FRN. 002981S.

ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on other legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of M/s. NLC Tamil Nadu Power Limited on the financial statements for the year ended 31.03. 2017.

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanation given to us, in respect of leasehold land, lease agreement is in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year, In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3(iii)(b) and 3 (iii)(c) of the order are not applicable to the Company.
- (iv) The Company has not granted loans, investments, guarantees and securities therefore the question of complying with Section 185 and 186 of the Act does not arise.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has prescribed the maintenance of cost records u/s 148(1) of the Act in respect of Electricity industry. We have broadly reviewed the books of account maintained by the Company and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
- b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 243.64 lakh	2014-15	CIT (Appeals)
Income Tax Act, 1961	Income Tax	Rs. 108.06 lakh	2013-14	CIT (Appeals)



- (viii) According to the information and explanations given us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) According to the information and explanations given to us, the Company has neither raised money by way of public issue offer. The term loans obtained by the Company is issued for the purpose for which it was obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, no managerial remuneration has been paid / provided for during the year and hence the question of compliance with provisions of Section 197 read with Schedule V to the Act does not apply.
- (xii) In our opinion, the Company is not a Nidhi Company, Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ramesh and Ramachandran
Chartered Accountants
ICAI Firm Registration No. 02981S

Place : Chennai
Date : 12.05.2017

G. Suresh
Partner
Membership Number. 029366



Ramesh and Ramachandran
Chartered Accountants

(O) 29/3, (N) 39, Viswanathapuram Main Road, Kodambakkam, Chennai-600 024.
Ph : 24843667, 24843668, 24843639. E-mail : randrca@gmail.com FRN. 002981S.

ANNEXURE - '2' TO OUR INDEPENDANT AUDITOR'S REPORT AS AT EVEN DATE

Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **M/s. NLC Tamil Nadu Power Limited** on the financial statements for the year ended 31.03.2017

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

1. Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which the title/lease deeds are not available?
The leasehold property is in the name of the Company.
2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved?
There were no cases of waiver / write off of debt / loans and interest during the year under audit.
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.
There are no inventories lying with third parties and no assets received as gift/grant(s) from Government or other authorities.

For Ramesh and Ramachandran
Chartered Accountants
ICAI Firm Registration No. 02981S

Place : Chennai
Date : 12.05.2017

G. Suresh
Partner
Membership Number. 029366



**Ramesh and Ramachandran
Chartered Accountants**

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ANNEXURE '3' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **M/s.NLC Tamil Nadu Power Limited** on the financial statements for the year ended 31.03.2017

Para 1 - Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s. NLC Tamil Nadu Power Limited** ("the Company") as at 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Para 2 - Management's Responsibility of Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Para 3 - Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting ('the Guidance note') and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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



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

Para 4 - Meaning of Internal Financial Controls Over Financial Reporting

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

Para 5 - Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on audit of Internal Financial Controls issued by the ICAI.

For Ramesh and Ramachandran
Chartered Accountants
ICAI Firm Registration No. 02981S

Place : Chennai
Date : 12.05.2017

G. Suresh
Partner
Membership Number. 029366



BALANCE SHEET AS AT 31ST OF MARCH, 2017

(Rs.in lakh)

Sl. No.	Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
ASSETS					
I	1. Non-Current Assets				
	(a) Property, Plant and Equipment	2	623,897.65	652,020.80	7,272.33
	(b) Capital Work-in-progress	3	5,017.88	7,795.36	655,813.88
	(c) Other Intangible Assets	4	-	-	-
	(d) Deferred tax assets (net)	5	3,726.62	8,469.46	-
	(e) Other Non Current Assets	6	4,107.58	1,129.05	1,100.86
	2. Current Assets				
	(a) Inventories	7	52,275.85	21,428.31	-
	(b) Financial Assets				
	(i) Trade receivables	8	104,335.40	72,696.17	-
	(ii) Cash and cash equivalents	9	445.95	228.42	956.78
	(iii) Other Bank balances	10	-	-	10,642.00
	(iv) Other Current Assets	11	9,098.49	7,134.75	6,099.83
	TOTAL		802,905.42	770,902.32	681,885.68
II	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	12	218,804.20	196,227.27	169,440.00
	(b) Other Equity	13	-7,983.02	-16,007.20	12,010.88
	LIABILITIES				
	1 Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	349,593.95	388,446.00	321,830.00
	2 Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15	109,915.44	84,165.21	98,052.00
	(ii) Trade payables	16	53,854.04	20,208.47	-
	(iii) Other financial liabilities	17	44,441.79	46,251.00	21,870.00
	(b) Other current liabilities	18	34,158.94	51,508.21	58,554.57
	(c) Provisions	19	120.08	103.36	128.23
	TOTAL		802,905.42	770,902.32	681,885.68

Significant Accounting Policies & Notes to the Financial Statements - Refer Note No.1.

The accompanying notes referred to above form an integral part of the balance sheet.

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

V.N. BABU
CHIEF FINANCIAL OFFICER

RAKESH KUMAR
DIRECTOR

SARAT KUMAR ACHARYA
CHAIRMAN

Place : Chennai

Date: 12.05.2017

As per our report of even date attached.

For Ramesh and Ramachandran,

Chartered Accountants,
Firm Regn. No. 002981S

GSuresh

Partner

M. No. 029366

Place : Chennai

Date: 12.05.2017



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST OF MARCH, 2017 (Rs. in lakh)

Sl. No.	Particulars	Note No.	For the year ended 31 st March 2017	For the year ended 31 st March 2016
I	Revenue From Operations	20	254,693.24	122,473.65
II	Other Income	21	7,717.16	646.41
III	TOTAL INCOME (I+II)		262,410.40	123,120.06
IV	EXPENSES			
	Cost of materials consumed	22	154,345.07	80,990.17
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-	-
	Excise Duty		40.09	9.14
	Employee benefits expense	23	4,903.96	3,637.20
	Finance costs	24	45,718.44	31,731.10
	Depreciation and amortization expense	25	36,046.75	26,861.75
	Other expenses	26	7,828.04	4,363.22
	TOTAL EXPENSES (IV)		248,882.35	147,592.58
V	Profit/(loss) before tax (I-IV)		13,528.05	(24,472.52)
VI	Tax expense:			
	(1) Current tax		2,900.00	-
	MAT Credit Entitlement		(2,900.00)	-
	(2) Deferred tax		4,742.84	(8,469.46)
	Total Tax Expenses (VI)		4,742.84	(8,469.46)
VII	Profit/(loss) for the period (V-VI)		8,785.21	(16,003.06)
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	Total Comprehensive Income for the period (VII+VIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		8,785.21	(16,003.06)
X	Earnings per equity share (for continuing operation)			
	(1) Basic (Rs.)		0.43	(0.85)
	(2) Diluted (Rs.)		0.43	(0.85)

The Note referred to above and the Significant Accounting Policies annexed form an integral part of the Statement of Profit and Loss

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

V.N. BABU
CHIEF FINANCIAL OFFICER

RAKESH KUMAR
DIRECTOR

SARAT KUMAR ACHARYA
CHAIRMAN

Place : Chennai

Date: 12.05.2017

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

For Ramesh and Ramachandran,

Chartered Accountants,
Firm Regn. No. 002981S

G.Suresh

Partner

M. No. 029366

Place : Chennai

Date: 12.05.2017



Cash Flow Statement for the year ended 31st of March, 2017

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
(i) Net Profit Before Tax	12,831.80	(24,472.53)
(ii) Adjustments for :		
Add : Depreciation	36,046.81	26,887.44
Finance Expenses (Considered separately)	45,718.44	45,915.71
Less: Interest Income (Considered separately)	(123.53)	(557.27)
(iii) Operating Profit before Working Capital Changes	94,473.52	47,773.35
(iv) Working Capital Changes		
Increase in Inventory	(30,847.54)	(21,428.31)
Increase in Trade Receivables	(31,639.23)	(72,696.17)
Increase in other-Non-Current Assets	(2,978.53)	
Increase in other Current Assets	(1,963.74)	(1,578.92)
Increase in Current Liabilities	(19,141.76)	26,959.88
Increase in Trade Payables	33,645.57	19,655.37
(v) Cash flow before taxes and extra-ordinary items	41,548.29	(1,314.80)
(vi) Extra-ordinary items	-	-
(vii) Taxes Paid	-	-
Net Cash flow from operations	41,548.29	(1,314.80)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(i) Purchase of Plant, Property & Equipment	(7,988.44)	(671,635.91)
(ii) Change in Capital Work-in-Progress	2,777.48	648,018.52
(iii) Interest Income Received	123.53	557.27
Net Cash flow from investing activities	(5,087.43)	(23,060.12)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(i) Repayment of Long Term Borrowings	(38,852.05)	66,616.00
(ii) Increase/(Decrease) in Short term Borrowings	25,750.23	(13,886.79)
(iii) Issue of Equity Shares	22,576.93	26,787.27
(iv) Transfer of Share Application money pending Allotment to share capital	-	(12,015.00)
(v) Interest Paid	(45,718.44)	(45,915.71)
(vi) Repayment of long term liabilities	-	(9,102.97)
(vii) Decrease in long term loans & advances	-	521.77
Net Cash flow from financing activities	(36,243.33)	13,004.57
Net Cash increase / (decrease) in Cash and Cash Activities	217.53	(11370.35)
Cash and Cash equivalents as at the beginning of the year	228.42	11598.78
Cash and Cash equivalents as at the end of the year	445.95	228.42

Note: () indicates cash outflow.

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

V.N. BABU
CHIEF FINANCIAL OFFICER

RAKESHKUMAR
DIRECTOR

SARAT KUMAR ACHARYA
CHAIRMAN

Place : Chennai

Date: 12.05.2017

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

For Ramesh and Ramachandran,

Chartered Accountants,
Firm Regn. No. 002981S

G.Suresh

Partner

M. No. 029366

Place : Chennai

Date: 12.05.2017



Statement of Changes in Equity

Statement of changes in Equity for the period ended 31st of March, 2017

A. Equity Share Capital

(Rs.in lakh)

Balance at the beginning of the period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,96,227.27	22,576.93	2,18,804.20

B. Other Equity

(Rs.in lakh)

	Share application money pending allotment	Equity Component of Compound financial instrument	Reserves and Surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash Flow Hedge	Revaluation Surplus	Exchange differences on translating the financial statement of a foreign Operation	Other items of other Comprehensive income (specify nature)	Money received against share warrant	Total
			Capital Reserves	Securities Premium Reserves	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	-	-	-16007.19	-	-	-	-	-	-	-	-16007.19
Changes in accounting policy or prior period errors	-	-	-	-	-	-761.02	-	-	-	-	-	-	-	-761.02
Restated balance at the beginning of the reporting period	-	-	-	-	-	-16768.21	-	-	-	-	-	-	-	-16768.21
Total Comprehensive Income for the year	-	-	-	-	-	8785.21	-	-	-	-	-	-	-	8785.21
Dividend	-	-	-	-	-	0	-	-	-	-	-	-	-	0
Transfer to Retained Earning	-	-	-	-	-	8785.21	-	-	-	-	-	-	-	8785.21
Any other changes (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the Reporting Period	-	-	-	-	-	-7983.00	-	-	-	-	-	-	-	-7983.00



Statement of Changes in Equity

Statement of changes in Equity for the period ended 31st of March, 2016

A. Equity Share Capital

(Rs.in lakh)

Balance at the beginning of the period	Charges in equity share capital during the year	Balance at the end of the reporting period
1,69,440.00	26,787.27	1,96,227.27

B. Other Equity

(Rs.in lakh)

	Share application money pending allotment	Equity Component of Compound financial instrument	Reserves and Surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash Flow Hedge	Revaluation Surplus	Exchange differences on translating the financial statement of a foreign Operation	Other items of other Comprehensive income (specify nature)	Money received against share warrant	Total
			Capital Reserves	Securities Premium Reserves	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	-	-	-4.11	-	-	-	-	-	-	-	-4.11
Change in accounting policy or prior period errors	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00
Restated balance at the beginning of the reporting period	-	-	-	-	-	-4.11	-	-	-	-	-	-	-	-4.11
Total Comprehensive Income for the year	-	-	-	-	-	-16003.06	-	-	-	-	-	-	-	-16003.06
Dividend	-	-	-	-	-	0	-	-	-	-	-	-	-	0
Transfer to Retained Earning	-	-	-	-	-	-16003.06	-	-	-	-	-	-	-	-16003.06
Any other change (to be specified)	-	-	-	-	-	0	-	-	-	-	-	-	-	0
Balance at the end of the Reporting Period	-	-	-	-	-	-16007.17	-	-	-	-	-	-	-	-16007.17



NOTES TO BALANCE SHEET
2. PROPERTY, PLANT AND EQUIPMENT

The following table presents the changes in property, plant & equipment during the year ended March 31, 2017

(Rs.in lakh)

Description	Gross Cost				Depreciation			Net Value		
	As at 31 st March 2016	Additions/Transfers	Deletions/Transfer/Adjt	As at 31 st March 2017	As at 31 st March 2016	Withdrawals/Transfers/Adjt	For the year	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
Lease Hold Land	5,028.93	-	-	5,028.93	1,452.80	-	167.63	1,620.43	3,408.50	3,576.13
Buildings	2,954.33	62.41	-	3,016.74	377.05	(3.01)	87.57	467.63	2,549.11	2,577.28
Electrical Installations	366.69	61.34	-	428.03	111.32	-	20.55	131.87	296.16	255.37
Water Supply	66.20	-	-	66.20	17.76	-	3.14	20.90	45.30	48.44
Plant & Machinery	6,71,630.88	7,779.34	-	6,79,410.22	2,65,672.7	(61.85)	35,717.09	62,346.21	6,17,064.01	6,45,063.61
Furniture & Equipment	544.95	77.05	-	622.00	108.25	-	39.50	147.75	474.25	436.70
Vehicles	89.32	8.12	-	97.44	26.05	-	11.07	37.12	60.32	63.27
Assets Costing Rs.5000/- and below	8.94	0.18	-	9.12	8.94	-	0.18	9.12	-	-
Total	6,80,690.24	7,988.44	-	6,88,678.68	2,86,69.44	(64.86)	36,046.73	64,781.03	6,23,897.65	6,52,020.80
Previous year	9,054.31	6,71,639.84	3.91	6,80,690.24	1,781.98	-	26,887.45	28,669.44	6,52,020.80	7,272.34

* - Lease Hold Land is being amortised over the lease period

The following table presents the changes in property, plant & equipment during the year ended March 31, 2016

(Rs.in lakh)

Description	Gross Cost				Depreciation			Net Value		
	As at 1 st April 2015	Additions/Transfers	Deletions/Transfer/Adjt	As at 31 st March 2016	As at 1 st April 2015	Withdrawals/Transfers/Adjt	For the year	As at 31 st March 2016	As at 31 st March 2016	As at 1 st April 2015
Lease Hold Land	5,028.93	-	-	5,028.93	1,285.17	-	167.63	1,452.80	3,576.13	3,743.76
Buildings	2,950.42	3.91	-	2,954.33	290.43	-	86.62	377.05	2,577.28	2,659.99
Electrical Installations	370.60	-	3.91	366.69	91.96	-	19.36	111.32	255.37	278.64
Water Supply	66.20	-	-	66.20	14.62	-	3.14	17.76	48.44	51.58
Plant & Machinery	42.85	6,71,588.03	-	6,71,630.88	2.01	-	26,565.26	26,567.27	6,45,063.61	40.84
Furniture & Equipment	497.17	47.78	-	544.95	73.02	-	35.23	108.25	436.70	424.15
Vehicles	89.32	-	-	89.32	15.95	-	10.10	26.05	63.27	73.37
Assets Costing Rs.5000/- and below	8.84	0.10	-	8.94	8.84	-	0.10	8.94	-	-
Total	9,054.33	6,71,639.82	3.91	6,80,690.24	1,782.00	-	26,887.44	28,669.44	6,52,020.80	7,272.33
Previous year	8,763.56	306.75	15.98	9,054.33	1,427.18	13.99	368.79	1,781.99	7,272.34	-

* - Lease Hold Land is being amortised over the lease period



NOTES TO BALANCE SHEET

3. CAPITAL WORK-IN-PROGRESS - CWIP

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Capital Work-in-Progress	5,017.88	7,795.36	6,55,813.88
Total	5,017.88	7,795.36	6,55,813.88
CWIP includes Value of Supply, Erection etc., of following major Package Contracts:			
a) Construction of Residential Quarters - Phase II - RPP Infra Projects	673.51		
b) Construction Roads & Drains - Phase II - RPP Infra Projects	330.19		
c) Construction of Non Residential Buildings - Abhiram Inra Projects	307.89		
d) Construction of Air Quality Monitoring Station - Environment SA India	286.10		
e) Construction of Canteen Building and Time Office - Ashok Vardhana	158.34		
f) Supplying & Laying of pipeline for service water- AR Enterprise	139.46		
g) Effluent Treatment Plant - Nevco Engineers	14.96		
h) Sewage Treatment Plant - Ensys Technologies	25.73		
i) Construction of Maintenance Shed - Motherland Builders	234.99		
j) Construction of Indoor Shuttle Court - Motherland Builders	13.22		
k) Construction of RCC Drain - Motherland Builders	44.86		
l) Construction of CISF Barracks - Srico Projects	161.00		
m) Construction of Watch Towers - Jeya Engineering	21.76		
n) Modification of Warehouse	84.86		
o) Misc Civil Works such as Approach Roads, etc	1,646.40		
p) Construction, Modification, Electrification of Sheds, Stores, etc	874.60		
	5,017.88		

4. OTHER INTANGIBLE ASSETS

The following table presents the changes in other intangible assets during the year ended March 31, 2017

(Rs. in lakh)

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



NOTES TO BALANCE SHEET

4. OTHER INTANGIBLE ASSETS

The following table presents the changes in other intangible assets during the year ended March 31, 2016 (Rs.in lakh)

Description	Gross Cost				Depreciation				Net Value	
	As at 1 st April 2015	Additions/ Transfers	Deletions/ Transfer/ Adj.	As at 31 st March 2016	As at 1 st April 2015	Withdrawals/ Transfer/ Adj.	For the Year	As at 31 st March 2016	As at 31 st March 2016	As at 1 st April 2015
Computer Software	14.11	-	-	14.11	14.11	-	-	14.11	-	-
Total	14.11	-	-	14.11	14.11	-	-	14.11	-	-
Previous Year	13.18	0.93	-	14.11	13.18	-	0.93	14.11	-	-

5. DEFERRED TAX ASSET (Net)

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Deferred Tax Asset			
- relating to Income Tax Loss & other Allowances	86,883.96	80,696.61	-
Less: Deferred Tax Liability			
- relating to temporary difference in depreciation	83,157.35	72,227.15	-
Total	3,726.62	8,469.46	-

COMPUTATION OF TEMPORARY DIFFERENCE AND DEFERRED TAX

(Ind AS 12- Balance Sheet Approach)

(Rs. in lakh)

Particulars	Carrying Amount as on 31.03.2017	Tax base as on 31.03.2017	Temporary Difference
(a) Property, Plant and Equipment	6,23,897.64	3,83,614.04	2,40,283.60
(b) Capital work-in-progress	5,017.88	5,017.88	-
(c) Inventories	52,275.85	52,275.85	-
(d) Trade receivables	1,04,335.40	1,04,335.40	-
(e) Cash and cash equivalents	445.95	445.95	-
(f) Other Bank balances	-	-	-
(g) Short Term Loans and Advances	12,975.82	12,975.82	-
(h) Receivable towards Income Tax	178.02	178.02	-
Total Assets	7,99,126.56	5,58,842.96	2,40,283.60
(a) Term Loans - Secured	3,49,593.95	3,49,593.95	-
(b) Borrowings - Short Term Borrowings	-	-	-
i) Secured Loan	57,915.44	57,915.44	-
ii) Unsecured Loan	52,000.00	52,000.00	-
(c) Sundry Creditors for DM Water Sales	1.98	1.98	-
(d) Expenses due to NLCIL	373.17	373.17	-
(e) Creditors for revenue Work	53,478.89	53,478.89	-
(f) Other financial liabilities - Current maturities for long term loans	-	-	-
i) Rupee Term Loan - I	11,880.74	11,880.74	-
ii) Rupee Term Loan - II	32,561.05	32,561.05	-
(g) Statutory payables	302.41	302.41	-
(h) Payable on Purchase of Fixed Assets	23,188.81	23,188.81	-
(i) Advance for sale of fly ash	129.22	129.22	-
(j) Amount withheld from contractors	3,956.14	3,956.14	-
(k) Others	6,582.36	6,582.36	-



NOTES TO BALANCE SHEET

(Rs. in lakh)

(i) Provisions	c/f	-	-	-
i) Provision for short term leave benefits		44.02	-	44.02
ii) Provision for Gratuity		76.06	-	76.06
Total Liabilities		5,92,084.24	5,91,964.16	120.08
VRS			105.06	105.06
(a) Share Capital		2,18,804.20	2,18,804.20	-
(b) Retained Earnings		-7,983.02	-7,983.02	-
Total Liabilities Equity		2,10,821.18	2,10,821.18	-
(I) Deferred tax Liability		2,40,283.60 @ 34.608%		83,157.35
(II) Deferred tax Asset				
Deferred tax asset		120.08 @ 34.608%	41.56	
VRS		105.06 @ 34.608%	36.36	
Tax Loss - Deferred Tax Asset		2,50,826.54 @ 34.608%	86,806.05	86,883.97
(III) Net Deferred Tax Asset as on 31.03.2017				3,726.62
Less: Opening Deferred Tax Asset			8,469.46	8,469.46
(IV) Deferred Tax to be charged in Profit and Loss A/c				4,742.84

6. OTHER NON CURRENT ASSETS

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Advance to VOC Port Trust	1,001.38	1,001.38	1,001.38
Receivable towards Income Tax	206.20	127.68	99.48
MAT Credit Entitlement	2,900.00	-	-
Total	4,107.58	1,129.06	1,100.86

7. INVENTORIES

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Coal	24,846.48	12,146.77	-
Coal in transit	25,814.14	8,534.86	-
Fuel Oil	551.47	746.68	-
Stores & Spares	1,063.76	-	-
Total	52,275.85	21,428.31	-

8. TRADE RECEIVABLES

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Unsecured, considered good - outstanding less than six months	98,826.52	72,696.17	-
Unsecured, considered good - outstanding for more than six months	5,508.88	-	-
Total	1,04,335.40	72,696.17	-

9. CASH AND CASH EQUIVALENTS

(Rs. in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
(A) With Scheduled Banks in Current Accounts			
Canara Bank, Kilpauk, Chennai	0.33	0.33	0.33
Bank of India, Tuticorin	1.00	1.00	749.68
Bank of India, Tuticorin - E-Freight	370.49	142.11	48.00
Bank of Baroda, Tuticorin	2.41	2.20	0.10
State Bank of India, Tuticorin	71.70	82.76	158.66
(B) Others	445.93	228.40	956.77
Stamps on hand	0.02	0.02	0.01
Total	445.95	228.42	956.78



Notes to Balance Sheet

10. OTHER BANK BALANCES

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Short Term Deposit with Banks	-	-	8,642.00
Canara Bank, Neyveli	-	-	2,000.00
Bank of India, Tuticorin	-	-	-
Total	-	-	10,642.00

11. OTHER CURRENT ASSETS

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Unsecured considered good			
Advances recoverable in cash or in kind or for value to be received	756.56	63541	664.57
Advance for Capital Goods	1,678.08	480.35	1,002.12
Prepaid expenses	269.75	44.85	-
Advance to TTPS for Coal diversion	-	-	3,773.80
Advance for purchase of Coal	5,729.93	5,287.60	409.51
Advance for purchase of Fuel Oil	664.17	686.54	249.83
Total	9,098.49	7134.75	6,099.83

Advance for Capital Goods is classified as Short Term Loans and Advances as the company is sure of its adjustment within a period of twelve months

12. SHARE CAPITAL

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
(a) Authorised			
250,00,00,000 Equity Share of Rs. 10/- each	2,50,000.00	2,50,000.00	2,50,000.00
(b) Issued , Subscribed and Paid up			
218,80,42,000 Equity Share of Rs. 10/- each fully paid up	2,18,804.20	1,96,227.27	1,69,440.00

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

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

c) During the year, the Company issued 22,57,69,273 equity shares of Rs. 10/- each, parri-passu with existing shares

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

(a) Number of Shares at the beginning of 2016-17			
(i) NLC India Ltd., - 89%	174,64,22,727	150,80,16,000	131,00,80,000
(ii) TANGEDCO - 11%	21,58,50,000	18,63,84,000	16,19,20,000
Total	196,22,72,727	169,44,00,000	147,20,00,000
(b) Number of Shares Allotted during 2016-17			
(i) NLC India Ltd.,	20,09,34,653	23,84,06,727	19,79,36,000
(ii) TANGEDCO	2,48,34,620	2,94,66,000	2,44,64,000
Total	22,57,69,273.00	26,78,72,727	22,24,00,000
(c) Number of Shares at the end of 2016-17			
(i) NLC India Ltd., - 89%	194,73,57,380	174,64,22,727	150,80,16,000
(ii) TANGEDCO - 11%	24,06,84,620	21,58,50,000	18,63,84,000
Total	218,80,42,000	196,22,72,727	169,44,00,000



Notes to Balance Sheet

13. OTHER EQUITY

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
As at the beginning of the year	(16,768.22)	(4.12)	(4.12)
Profit for the year	8,785.20	(16,003.08)	0.00
Share Application Money pending for allotment	-	-	12,015.00
As at the end of the year	(7,983.02)	(16,007.20)	12,010.88

The Retained Earnings at the beginning of the year is restated on prior period expenses as per Ind AS (Note 13 a)

Retained Earnings (Including Ind AS Transition Reserve)

13(a). OTHER EQUITY - RETAINED EARNINGS

Reconciliation of Equity from erstwhile GAAP to Ind AS is stated as under

(Rs.in lakh)

Particulars	As at 31 st March 2016 (Ind AS)
Profit and loss account - Opening Balance (IGAAP - April 1, 2015)	(4.12)
Add : Profit/(Loss) for the period	-
Amount available for appropriation	(4.12)
Appropriations	
Transfer to/from Interest Different Fund Reserve	-
Transfer to Bond Redemption Reserve	-
Transfer to General Reserve	-
Transfer to Contingency Reserve	-
Transfer to PRMA Reserve Fund	-
Interim Dividend	-
Tax on Interim Dividend	-
Proposed Final Dividend	-
Tax on Proposed Final Dividend	-
Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	-
Profit and loss account - Closing Balance (IGAAP - April 1, 2015)	(4.12)
Ind AS adjustments (as at April 1, 2015)	-
Retained Earnings (Ind AS - April 1, 2015)	(4.12)
Profit/Loss for the period 2015-16	(16,003.08)
Amount available for appropriation	(16,007.20)
Appropriations:	
Profit and loss account - Balance before Ind AS adjustments for the period 2015-2016	(16,007.20)
Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	
Prior period Expenses	
- Consumption of Fuel Oil	(696.25)
- Depreciation on Buildings	(2.92)
- Depreciation on Plant & Machinery	(61.85)
Total Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	(761.02)
Retained Earnings (Ind AS - March 31, 2016)	(16,768.22)



Notes to Balance Sheet

14. LONG TERM BORROWINGS - SECURED

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Term Loans from Banks:-			
(i) Bank of Baroda Consortium of Banks	-	2,12,500.00	2,37,500.00
(ii) Bank of India Consortium of Banks	-	74,960.00	84,330.00
(iii) Power Finance Corporation Ltd	-	-	-
- Rupee Term Loan - I	89,105.53	1,00,986.00	-
- Rupee Term Loan - II	2,60,488.42	-	-
Total	3,49,593.95	3,88,446.00	3,21,830.00

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

b) Repayment of Loan:-

- (i) Power Finance Corporation Ltd - Rupee Term Loan-I of Rs.1184.92 crore:- Twenty (20) equal half-yearly installments from January 2016 and the rate of interest on the loan is 9.94%.
- (ii) Power Finance Corporation Ltd - Loan-II, Rupee Term Loan of Rs.2500 crore from Bank of Baroda Consortium has been taken over during the financial year with interest rate of 9.57% and Rupee term loan of Rs.937 crore from Bank of India Consortium has been taken over during the financial year with interest rate of 8.04%. Repayable in Nineteen (19) half yearly installments from October 2016.

15. SHORT TERM BORROWINGS

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Secured			
Loans repayable on demand from Banks:			
Working capital Loan with Bank of India	57,915.44	52,165.21	0.00
Unsecured			
Short term loan from NLC India Ltd - Unsecured			
- Loan I	18,000.00	32,000.00	98,052.00
- Loan II	34,000.00	-	-
Total	1,09,915.44	84,165.21	98,052.00

- (i) Bank of India Working Capital loan: - Secured by exclusive first charge on book debts, operating cash flows, receivables, including stock of coal, fuel, etc. and all other current assets, commission, revenues of whatsoever nature and wherever arising present & future relating to the project and the rate of interest is 8.35%.
- (ii) NLC India Ltd - Short term loan I of Rs.500.00 crore - Towards meeting the working capital requirements and Repayable within 365 days from the date of drawl. The rate of interest on the loan is 8.35%.
- (iii) NLC India Ltd - Short term loan II of Rs.1000.00 crore - Towards meeting the cash flow requirements and Repayable within 365 days from the date of drawl. The rate of interest on the loan is 8.35%.

16. TRADE PAYABLES

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Sundry Creditors	53,854.04	20,208.47	0.00
Total	53,854.04	20,208.47	0.00



NOTES TO BALANCE SHEET

17. OTHER FINANCIAL LIABILITIES - CURRENT MATURITIES FOR LONG TERM LOANS

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Current maturities of Long term loan:			
Bank of Baroda Consortium Rupee Term Loan	-	25,000.00	12,500.00
Bank of India Consortium Rupee Term Loan	-	9,370.00	9,370.00
Power Finance Corporation Ltd Term Loan	-	-	0.00
- Rupee Term Loan - I	11,880.74	11,881.00	
- Rupee Term Loan - II	32,561.05	-	
Total	44,441.79	46,251.00	21,870.00

18. OTHER CURRENT LIABILITIES

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Statutory payable	302.41	2,216.37	600.49
Payable on Purchase of Fixed Assets	23,188.81	44,088.35	53,191.32
Advance for sale of fly ash	129.22	84.60	-
Amount withheld from contractors	3,956.14	3,904.93	3,926.48
Coal received from TTPS on returnable basis	-	1,087.04	-
Others	6,582.36	126.92	836.28
Total	34,158.94	51,508.21	58,554.57

19. PROVISIONS

(Rs.in lakh)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Provision for short term leave benefits	44.02	103.36	57.36
Provision for Gratuity	76.06	-	70.87
Total	120.08	103.36	128.23

NOTES TO STATEMENT OF PROFIT AND LOSS

20. REVENUE FROM OPERATIONS

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Power Sales	2,52,407.27	1,21,817.02
Sale of Infirm Power	0.00	4,610.43
Sale of Fly Ash (including Excise Duty)	2,065.57	779.77
Sale of DM Water	220.40	0.00
	2,54,693.24	1,27,207.22
Less: Transferred to Capital Work in Progress	0.00	4,733.57
Total	2,54,693.24	1,22,473.65

- Unit-1 has started its commercial operation from 18th June, 2015 and Unit-2 from 29th August, 2015.
- Sale of Power is accounted for based on the interim tariff order dated 13.10.2015 granted by the Central Electricity Regulatory Commission (CERC) under the Tariff Regulations 2014-19 from the date of Commercial Operation Declaration (COD) of Unit I and II to 31.03.2017.
Beneficiaries are billed in accordance with the said interim tariff order. Final Tariff order proceedings under progress by CERC.
- Fly ash produced during the year has been fully utilised in the same year. Hence, proceeds from the fly ash sale has been classified as income and not transferred to 'Fly ash utilisation reserve fund' in terms of provisions of gazette notification dated 3rd November, 2009 issued by Ministry of Environment and Forests, Government of India.



NOTES TO STATEMENT OF PROFIT AND LOSS

21. OTHER INCOME

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Interest on Bank Deposits	0.00	276.52
Interest from Others	123.53	280.75
Surcharge from Beneficiaries	6,485.04	429.08
Rent Recovered	3.77	14.73
Liquidated Damages Recovered	29.62	7.65
Foreign Exchange Fluctuation	1,109.97	0.00
Others	15.27	17.96
	7,767.20	1,026.69
Less: Transferred to Capital Work in Progress	50.04	380.28
Total	7,717.16	646.41

Foreign Exchange Income arises on account of restatement of foreign currency liability against the Import Coal Supply.

22. FUEL

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Coal Consumption	1,53,177.82	87,921.39
Oil Consumption	1345.42	7555.39
	1,54,523.24	95,476.78
Less: Transferred to Capital Work in Progress Accounts	178.17	14,486.61
Total	1,54,345.07	80,990.17
OPENING STOCK		
Raw Material		
Coal	12,146.77	0.00
Oil	746.68	0.00
	12,893.45	0.00
Add: PURCHASES		
Raw Material		
Coal	1,65,877.54	1,00,068.15
Oil	1,150.21	8,302.07
	1,67,027.75	1,08,370.22
Less: CLOSING STOCK		
Raw Material		
Coal	24,846.48	12,146.77
Oil	551.47	746.68
	25,397.95	12,893.45
Less: Transfer to Capital Expenditure Accounts		
Coal	0.00	9,955.74
Oil	178.17	4,530.87
	178.17	14,486.61
Cost of Material consumed		
Coal	1,53,177.82	77,965.65
Oil	1,167.25	3,024.52
	1,54,345.07	80,990.17



NOTES TO STATEMENT OF PROFIT AND LOSS

23. EMPLOYEES' BENEFIT EXPENSES

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Salaries, Wages and incentives	3,877.67	4,332.65
Contribution to Provident and Other Funds	662.44	630.73
Gratuity	62.59	0.00
Welfare Expenses	301.26	160.85
	4,903.96	5,124.23
Less: Transferred to Capital Work in Progress	0.00	1,487.03
Total	4,903.96	3,637.20

24. FINANCE COST

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Interest on Term Loan	41,014.35	44,821.78
Interest on Working capital	4,704.09	1,093.93
	45,718.44	45,915.71
Less: Transferred to Capital Work in Progress Accounts	0.00	14,184.61
Total	45,718.44	31,731.10

25. DEPRECIATION AND AMORTIZATION EXPENSES

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Depreciation and Amortization Expenses	36,046.75	26,887.45
Less: Transferred to Capital Work in Progress Accounts	0.00	25.70
Total	36,046.75	26,861.75

26. OTHER EXPENSES

(Rs.in lakh)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Consumption of Stores and Spares	1,374.89	189.20
SRLDC Deviation charges	672.94	2,275.46
Transit and Handling loss	51.57	100.11
License fee, Rates and taxes	435.12	41.80
Repairs and Maintenance		
-Plant and Machinery	1,742.80	7.69
-Others	1,535.04	1,234.28
Insurance	421.47	116.96
Electricity Charges	41.65	127.67
Water Charges	35.23	45.75
Payments to Auditors		
-Audit Fees	11.53	8.31
-Other Certification Fees	0.42	0.61
-Reimbursement of out of pocket expenses	1.02	1.50
Professional Charges	1.40	14.37
Travelling expenses	183.70	166.44
Advertisement	48.69	48.18
Legal Expenses	41.91	0.45
Training expenses	2.98	15.15
Interest to Beneficiaries	665.50	298.55
Service charge on Fly Ash Sale	61.03	12.90
Security & Central Industrial Security Force expenses	340.58	220.67
Bank Charges (includes Upfront fee, Commission)	1.44	78.68
Corporate Social Responsibility expenses	46.93	24.30
Miscellaneous expenses	170.55	134.29
	7,888.39	5,163.32
Less: Transferred to Capital Work in Progress Accounts	60.35	800.10
Total	7,828.04	4,363.22



NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2017

I. Company Overview

NLC Tamil Nadu Power Limited ("NTPL or the Company"), a company domiciled in India, and is the joint venture between NLC India Limited (NLC), a Government of India Enterprise and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), a Government of Tamil Nadu Enterprise incorporated in the year 2005 with Equity participation in the ratio of 89:11 respectively, NTPL has its registered office at First floor No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chennai - 600 031.

The Company has implemented 2 X 500 MW Coal based power plant at Tuticorin, Tamil Nadu with main activity of generation of electricity.

II. Basis of preparation

a) Compliance with Ind AS:

The Ministry of Corporate Affairs ('the MCA'), Government of India, in exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 ('The Act') and sub section 1 of section 210A of the companies Act, 1956 ("the erstwhile Act") in consultation with National Advisory Committee on Accounting Standards vide G.S.R 111(E) dated February 15, 2015 notified rules called Companies (Indian Accounting Standards) Rules, 2015 effective April 1, 2015. The MCA vide notification G.S.R. 365 (E) dated March 30, 2016 issued certain amendments to Ind AS vide Companies (Indian Accounting Standards) Amendment Rules, 2016. The MCA vide notification G.S.R 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act requiring companies to prepare the financial statements in compliance with Companies (Indian Accounting Standards) Rules 2015.

Pursuant to the above rules framed by MCA, the financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Electricity Act, 2003 to the extent applicable.

These financial statements, for the year ended March 31, 2017, are the first set of financial statement the Company has prepared in accordance with Ind AS, These financial statements being the first Ind AS financial statements, are covered by the Ind AS 101, *First-time Adoption of India Accounting Standards* ('Ind AS 101'). NTPL has applied Ind AS 101 in making the transition to Ind AS, with April 1, 2015 as the date of transition to Ind AS, Refer Note No 13a Financial Statements for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

b) Historical Cost Convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities have been measured at fair value.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakh, except when otherwise indicated.

c) Exemptions availed in transition to Ind AS:

NTPL has applied for certain mandatory and optional exemptions from full retrospective application of Ind AS.



The exceptions and exemptions availed by under IndAS 101 are discussed under Note below:

Property, Plant and Equipment:

On transition to Ind AS, NTPL has elected to continue with the carrying value of all its Property, Plant & Equipment recognized as at 01 April, 2015 measured as per the previous GAAP & use that carrying value as the deemed cost of the Property, Plant & Equipment.

III. Functional and Presentation Currency:

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

IV. Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses, Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgments:

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- a) Classification of land taken on lease
- b) As per Ind AS 17, a finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An operating lease is a lease other than a finance lease.

NTPL is having a long term lease agreement on Land with V.O.Chidambaranar Port Trust for a period of 30 years and the rewards incidental to ownership of the Land has not been transferred to NLC Tamil Nadu Power Limited and hence treated as operating lease. Leasehold Land has been utilised for the purpose of setting up the plant and employees quarters. Hence, identified and amortised over the leasehold period.

V. Significant accounting policies

i. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.



Cost of acquisition is inclusive of taxes, duties, freight, installation allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement.

Leases

NTPL is having a long term lease agreement of Land with V.O.Chidambaranar Port Trust for a period of 30 years which has been considered as operating lease and Leasehold Land has been utilized for the purpose of setting up the plant and employees quarters. Hence, identified and amortised over the leasehold period.

Capital work-in-progress

Administration and general overhead expenses 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 to the cost of related assets.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on straight line basis to write off the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives, and is generally recognized in the statement of profit and loss. The estimated useful lives of property, plant and equipment for the current year is as follows:

Description of Assets	Basis
i. Assets of Thermal Power Stations excluding vehicles	The Company follows the provisions of the Electricity Act,2003.The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
ii. Residential Buildings - III Class	At rates prescribed by Bureau of Public Enterprises.
iii. Buildings: a) Residential Buildings other than Class-III b) Non-residential Buildings c) Plant and Machinery; Workshop Machinery and Civil Construction Machinery d) Furniture and Equipments other than (i) above.	At technically assessed rates arrived based on estimated useful life of the asset
iv. Other Assets	At useful life prescribed in Schedule-II of the Companies Act,2013

Rates under ii and iii are followed so long as they are higher than the rate covered under iv.

Depreciation on additions to/deductions from Fixed Assèts during the year is charged on pro rate basis from/up to the month in which the asset is available for use/disposed in line with the industry practice and policy of the Company.

Assets costing less than Rs.5,000/- are fully depreciated in the year in which they are put to use.

Part B of Schedule II of Companies Act, 2013 states "The useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by



the Central Government shall be applied in calculating the depreciation to be provided for asset irrespective of the requirements of this Schedule.”

NTPL shall have the option to apply componentization to non-regulated assets.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Machinery Spares

Initial spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset. Insurance spares purchased subsequent to the commissioning of the property, plant and equipment costing Rs.50 lakh and above which can be used only in connection with an item of property, plant and equipment and whose usage are expected to be irregular are fully depreciated over the residual useful life of the assets and if the spare is utilized, the carrying cost is fully charged as depreciation in the year of utilization.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

- on disposal; or
- when no future economic benefits are expected from its use.

The gain or losses arising from de-recognition of an item of property, plant and equipment is to be included in the statement of profit or loss when the item is derecognized.

ii. Intangible Assets

Recognition and measurement

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

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (b) the cost of the asset can be measured reliably.

Research and development - Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets - Computer software that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Fixed Assets relating to Research & Development are depreciated in a like manner as any other fixed assets of the company.

Subsequent expenditure

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

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values



over the estimated useful lives, and is generally recognized in profit and loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of intangible assets for the current period are as follows:

Development (Internally generated projects)	Amortized over the useful life
Software More than Rs. 10 Lakh	5 years on straight line method
Software Rs. 10 Lakh or less	Fully on year of acquisition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

iii. Inventories

Inventories are measured at the lower of cost and net realizable value. The basis of cost:

- i. Coal: Weighted Average cost.
- ii. Fuel such as Light Diesel Oil, Heavy Furnace Oil: On weighted average cost.
- iii. Stores and Spares : Weighted average cost or Net realizable Value whichever is lower.
- iv. Fly ash : At cost.
- v. Waste product, used belts reconditioned Stores and Spares discarded for disposal, medicine and canteen stores are taken at NIL value.
- vi. Goods in transit including goods received but pending for inspection and acceptance: At cost.

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

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

iv. Prepaid expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs. 100.00 Lakh in each case.

v. Financial Instruments

Non-derivative financial assets

Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories:

- ❖ Those to be measured subsequently at fair value (either through profit and loss account or, through other comprehensive income) and
- ❖ Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company's financial assets trade receivables, cash and cash equivalents and other current assets.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings etc.



vi. Impairment

Financial assets (including receivables)

Ind AS 109 requires following an expected credit loss model for the impairment of financial assets. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. Consequently, more timely information is provided about expected credit losses.

Expected loss shall be measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided. For trade receivables, a simplified approach is available, where by an assessment of increase in credit risk need not be performed at each reporting date. Instead, an entity can choose to provide for expected losses based on lifetime expected losses.

Non-Financial assets

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

The carrying amount of cash generating units is reviewed at each Balance Sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

vii. Fair value measurement

The Company measures financial instruments, at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

viii. Employee benefits

Short term employee benefits

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

Defined benefit & contribution plans

The benefits under Provident Fund, Paid Leave / Half Pay Leave are in the nature of defined Benefit Plan. Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The contribution of Rs.310.53 lakh (Previous year Rs.298.25 lakh) towards Provident Fund and Rs.44.02 lakh (Previous year Rs.3.76 lakh) towards Leave Salary for the year are recognized as expense and is charged to the Statement of Profit and Loss.



Long term employee benefits such as leave salary are provided as per the guidelines issued by Department of Public Enterprises, Government of India.

Post-Employment benefits such as Gratuity are also treated as defined benefit plan. Contribution to Gratuity is made to Gratuity Trust. Based on actuarial valuation, best estimate of contribution towards gratuity for the financial year is Rs. 62.59 lakh.

Post-Retirement Medical Assistance (PRMA) is treated as defined Contribution scheme and accounted accordingly in respect to the employees retired prior to 01-01-2007 for which a separate reserve fund is created out of the accumulated reserve profit with corresponding investments. The liability as at 31st March, 2017 ascertained as per actuarial valuation amounts to Rs. 97.63 lakh.

Contribution to Provident fund, superannuation fund, which includes post-retirement Medical Assistance are recognized in the Profit and Loss account on the basis of actual liability and funded to trust.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

The Employee benefits are recognized as and when arises in line with the parent company and the overall trust and funds are maintained and valued by the actuary of the parent company NLC India Ltd.,

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 & involves the payment of termination benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

ix. Allocation of common charges/social overhead expenses

These are allocated to production units based on salaries and wages of these units.

x. Prior period items

Prior period errors as a result of accounting policies, changes in accounting estimates and errors have been corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Transactions arising out of errors or omissions exceeding Rs. 100 lakh in each case considered as material are accounted under Prior Period Transactions. Extra-ordinary items of value exceeding Rs. 100 lakh in each case are considered as material and accounted for under Extra-ordinary items. Prior Period/Extra-ordinary items are not considered for stock valuation purposes.

xi. Event occurring after the balance sheet date

Events occurring after the reporting period, between the end of the reporting period and the date when the financial statements are approved by the Board of Directors are classified as adjusting events (those that provide evidence of conditions that existed at the end of the reporting period) and non-adjusting (those that are indicative of conditions that arose after the reporting period).

For this purpose, event having an effect of Rs. 100 lakh and above in value is considered as significant.



xii. Revenue

Sale of power

Sale of power is accounted for by following Act, 2003, where the tariff rates are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003, In case of power stations where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of the CERC's norms and parameters for capacity charges are adopted.

True up/ down between provisional rates and CERC determined rates are performed for each Tariff period to ensure revenue is booked at the right amount during the right period and ensure matching of costs and revenue.

Others

Revenue received from customers is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Cash discounts for prompt payment are accounted as and when the related dues are settled. Surcharge on differential tariff is recognized immediately on receipt of the final tariff order since the realization is probable and the amount of interest can be estimated reliably.

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

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

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

Dividends

Revenue on dividends has been recognized when the shareholder's right to receive payment is established.

Foreign currency transactions

The Company has presented its financial statements in INR, which is the functional currency of the company.

Initial recognition and measurement

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

Subsequent measurement

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

Recognition of exchange gain/loss

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

xiii. Income taxes

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

Current tax

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

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

xiv. Borrowing cost

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Qualifying asset is an asset which necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

xv. Provisions

Recognition and measurement

The Company recognizes a provision when:

- (a) it has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognized.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



Provisions are determined by discounting the expected future cash flows at a pre-tax rate that current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

xvi. Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and in hand, short-term deposits with a maturity of three months or less and short term deposits for lien.

xvii. Construction Projects

1. Power Generation Unit

Test and Trial production of Thermal Power Generation unit commences from the date of synchronization and goes upto the date of commercial commissioning. Provisional takeover date of the Turbo generator pursuant to Seventy-two hours' full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalized and the power sale revenue earned during that period is abated to the capital cost of the project.

VI. Capital Management

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

VII. Related party Disclosure

As per Ind AS 24, para 13, NLC India Limited is a parent company of NLC Tamil Nadu Power Limited (reporting entity) by holding 89% in the equity participation.

As per Ind AS 24, para 25, NLC Tamil Nadu Power Limited (reporting entity) is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:

a government that has control, joint control or significant influence over the reporting entity; i.e. The Government of India is having significant influence over NLC Tamil Nadu Power Limited by having control on NLC India Limited as Government of India holds 90% Equity shares of NLC India Limited, the parent company.

As per Ind AS 24, para 26, if a reporting entity applies the exemption as above, it shall disclose the following about the transactions and related outstanding balances.

- (a) Name of the Government : Government of India
- (b) Nature of relationship : Significant influence through NLC India Limited, the parent company
- (c) The following are the transactions with NLC India Limited undertaken during the financial year 2016-17.
 - (i) Unsecured Term Loan (Rs.in lakh)

Sl. No.	Loan Sanctioned	Loan availed	Loan Opening balance	Loan drawn	Loan Principal repaid	Loan Closing balance	Interest paid
1	50,000	50,000	32,000	18,000	32,000	18,000	3,759
2	1,00,000	34,000	0	34,000	0	34,000	31
Total			32,000	52,000	32,000	52,000	3,790



- ii. Guarantee:
- (a) Letter of Comfort in favour of Power Finance Corporation Ltd on the Rupee Term Loans of Rs.3,09,330 lakh availed by NLC Tamil Nadu Power Limited.
 - (b) Letter of Comfort in favour of Bank of India on the Working capital loans with Fund based Limit Rs. 65,000 lakh and Non Fund based Limit of Rs.20,000 lakh availed by NLC Tamil Nadu Power Limited.
- iii. The proportionate Employees Salary of NLC India Ltd for Rs.364.62 lakh has been recognized in profit and loss account based on the expertise and time spent towards the various works on behalf of NLC TamilNadu Power Limited such as Power Billing; Dues follow up from DISCOMS, floating and finalizing major contracts, loans funding arrangements and other allied services.
- iv. Apart from the above, the expenses which are incurred on behalf of NLC TamilNadu Power Limited are reimbursed at actual such as Meeting expenses, tender advertisement etc.

VIII. Earnings Per Share

Basic earning per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have issued on the conversion of all dilutive potential equity shares.

IX. Operating Segments

As per Ind AS 108, an operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity.)
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

NLC Tamil Nadu Power Limited's only operating segment is generation of electricity for which the operating results are regularly reviewed. Revenue generated from External Customers is Rs.261178.28 lakh.

All the external sales are within India. Non-Current Assets (other than Deferred Tax Asset and Post Employment Benefit Assets) as reported in the Balance Sheet are located in India.

The following are the major External Customers who contributes 10% or more of the Company's revenue:

- (a) Tamil Nadu Generation and Distribution Corporation Ltd - Rs.99,672.76 lakh (39.52%)
- (b) Bangalore Electricity Supply Company Ltd - Rs.28,624.95 lakh (11.35%)

X. Current / non-current classification

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it is cash or a cash equivalent unless it is 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 classified as current if:

- (a) it is expected to settle in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled with twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company's normal operating cycle is twelve months.

XI. Contingent Liabilities

- (a) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for Rs.42,321.00 lakh (Previous Year Rs.69,532.29 lakh)
- (b) Company has given letter of credit towards security deposit for Rs. 92.00 lakh (Previous Year Rs.37.00 lakh)
- (c) Company has given Foreign Letter of credit towards procurement of import coal for Rs.4439.69 lakh (Previous year Rs. Nil)
- (d) Income Tax
 - i. Assessment Order and Demand notice for Assessment Year 2014-15 raising the demand for Rs.243.64 lakh. The Assessment order and Demand notice has been contested before CIT (Appeals) on 01.02.2017 and the same has not been provided for.
 - ii. Assessment Order and Demand notice for Assessment Year 2013-14 raising the demand for Rs.108.06 lakh. The Assessment order and Demand notice has been contested before CIT (Appeals) on 28.04.2016 and the same has not been provided for.
- e) Contingent liability exists in respect of service tax on allotment of lease hold land by V.O. Chidambaranar Port Trust on Rs.4,849.71 lakh paid as upfront premium has not been provided for.
- f) A demand of Rs. 205.63 lakh (Previous year Rs.205.63 lakh) has been raised by Excise Authority towards service tax payable by NLC India Ltd., the holding company for the service of manpower provided to NTPL. This case has been decided in favour of holding Company. However, the department has gone for appeal against the order of Commissioner.
- g) A demand for Rs.307.86 lakh has been raised by V.O. Chidambaranar Port Trust towards Interest on non-payment of license fee related to North Cargo Berth-I from 01.02.2010 to 31.03.2017 has not been provided for.
- h) A demand of Rs. 6737.27 lakh has been raised by V.O. Chidambaranar Port Trust towards shortfall in minimum Guarantee Throughput (MGT) from 20.01.2012 to 19.01.2017 for 173,81,690 MT at prevailing Wharfage Rate per Ton for coal handled at North Cargo Berth-land out of which Rs. 5751.47 lakh has not been provided as the same is pertaining to the period prior to the Date of Commissioning i.e. 18.06.2015.
- i) Arbitration claim
 - (i) Ramky Infrastructure Pvt. Ltd., the construction contractor of Sea Water Intake Channel has filed arbitration petition on Liquidated Damages deducted and other issues for Rs.1642.00 lakh and proceedings under process which has not been provided for.
 - (ii) Gammon India Ltd., the construction contractor of Natural Drought Cooling Tower (TA6) and Chimney (TA7) has filed arbitration petition on Liquidated Damages deducted and other issues for which Arbitration proceedings under process has not been provided for.
- j) As per the information available with the Company there are no dues outstanding including interest as on 31st March, 2017 to Small and Micro Enterprises as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.
- k) Contribution towards Gratuity scheme and long term compensated absences are paid by NLC India Ltd (Holding company) to LIC of India in respect of all group company employees and the share of NLC Tamil Nadu Power Ltd (NTPL) is recovered by Holding company. Since consolidated Policy has been taken covering all the group company employees.
- l) Balance of Debtors and Creditors are subject to confirmation of balances.

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



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