August 2, 2018

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Bldg., P. J. Towers
Dalal Street, Fort
Mumbai – 400 001.
Scrip Code: **500400**

Dear Sirs,

Annual Report 2017-2018

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting Annual Report of the Company for financial year 2017-2018.

Yours faithfully,
For The Tata Power Company Limited

H. M. Mistry

Company Secretary

Encl.

TATA POWER

ANNUAL REPORT 2017-18

TATA

Renewables to Power Growth

Renewables to Power Growth

Living up to our Founder's vision - to provide the country and its people with affordable, clean and abundant power, Tata Power takes pride in being a leader in the renewable energy area. With a view to reduce carbon emissions and safeguard the environment, the Company has embarked on a journey of growth by focusing on renewables, distribution & transmission of power. The Company continues to explore potential growth areas across India and in select international markets through organic and inorganic opportunities.

Being true to its mission of delivering sustainable value to all stakeholders, the Company has spread its operations across the globe while continuously evaluating various business structures to deliver better value by unlocking and enhancing operational synergies. In the year gone by, the Company added 276 MW of renewable capacity, thereby taking a step towards achieving its strategic intent. The total generation capacity in the non-fossil fuel based plant stood at 3417 MW, up by 8.78% MW from last year. This includes 1188 MW of solar and 1161 MW of wind.

With a view to explore innovative technologies and integrate them into augmented business streams, the Company has made inroads into setting up a network of Electric Vehicle (EV) Charging stations across the city, thereby making Mumbai future ready for EVs. Other areas which the Company is evaluating include home automation, smart metering and the whole system integration piece coupled with the communication backbone.

From clean energy to consumer-centricity, while keeping sustainability at the core, Tata Power has maintained its century-old legacy of Lighting Up Lives.

CEO & Managing Director's Message

Dear Stakeholders,

It is my pleasure to write to you as the CEO & MD of Tata Power and I feel privileged to accept the responsibility to lead India's largest Integrated Power Company. Tata Group which is celebrating its 150th anniversary this year, seeded your Company 103 years back with a vision of providing reliable and clean power to the country. I take great pride that we continue to fulfil this vision even as your Company continues to shape the power sector in the country in many ways, with its technology and business leadership.

India is projected to remain the fastest growing major economy for the next few years. In the last decade, the power sector in the country has faced many challenges due to multiple risks impacting the sector. Going forward, the Central Electricity Authority expects the electricity demand in the country to grow at 7.1% annually. Further, the demand is expected to increase on account of grid connectivity reaching rural households, which did not have access to power till now.

While the Indian Power Industry continues to witness challenging times, the performance of your Company has been good in the Financial Year 2017-18. All our subsidiaries and plants have reported robust performance despite a challenging environment. This has been largely due to the Company's relentless focus on operational improvements and excellence. The renewable portfolio, including the EPC business, continues to do well and has once again made a healthy contribution to PAT. The coal mines gained due to higher coal prices. Our Delhi distribution arm, TPDDL's sharp focus on customer delight and achieving benchmark AT&C losses has ensured profitable growth.

In the forthcoming year, your Company will continue to chart its next phase of growth for which monetization of various non-core assets and cross holdings is already underway to improve the balance sheet. Under-recovery at CGPL (Mundra) due to rising international coal prices in FY18, was offset by gains in coal mines in Indonesia. However, the Company is taking timely and tangible steps in collaboration with Power Procurers to ensure the project's long term financial viability.

I believe that the capabilities and competencies of your Company can be harnessed to build a renewed Tata Power which will thrive on seizing new growth opportunities. The existing model of supply and usage of power will undergo significant transformation with the advent of new technologies and climate change challenges. This will encourage large scale renewables, demand-side services and digitisation. Tata Power is in an excellent position to capitalise on this exciting future by offering products and services that will meet the next generation of power consumers.

In line with the changing business dynamics, we are committed to pursue a well charted growth strategy by demonstrating a high level of commitment. The key growth areas for the Company have been identified as Renewable Generation, Transmission, Distribution and New & Value-Added Businesses including Rooftop Solar, Smart Metering, Micro Grids in Rural areas and setting up of Electric Vehicle- Charging Units.

Your Company's rich technological expertise and experience in the power sector is sure to help prepare it for the future as it embarks upon its next 100 years of existence. At Tata Power, we believe that sustainable growth benefitting all stakeholders and minimal environmental impact is imperative for a developing economy. It has been our legacy of integrating sustainability with core business values and Care for the stakeholders.

Finally, I take this opportunity to thank you, the shareholders of the Company, for your continued support and motivation to the Company. I would also like to thank the Government, Customers, Suppliers as well as Lenders for their continued support to the Company and finally to all the Employees, Unions and the Management Team for their deep level of commitment to the Company.

I look forward to your continued support in the future.

Yours sincerely,

Praveer Sinha
CEO & MD

Highlights of the Year

- *Clean energy portfolio grew by 8.78% to 3417 MW from last year.*
- *Tata Power Delhi Distribution Limited achieved a benchmark reduction in AT&C losses at 8.40% as against 8.59% for the same period last year.*
- *Tata Power's consumer base crossed 2.6 million mark across the country.*
- *Tata Power's generation crossed 53,500 MUs for the first time.*
- *Agreements were signed for sale of non-core investments in defence business and shareholding in communications.*
- *The Company launched its EV Charging infrastructure in Mumbai.*
- *Tata Power became the first power utility to introduce QR code for bill payments in India.*
- *The Company, along with its subsidiaries and associates, added 294 MW of generation capacity in its portfolio, of which 276 MW is Renewable and 18 MW is Thermal.*
- *Tata Power's distribution arm-TP Ajmer Distribution Limited signed Distribution Franchisee Agreement (DFA) with Ajmer Vidyut Vitran Nigam Limited.*

Continuing the Growth Journey

- Projects commissioned by **Tata Power Renewable Energy Limited (TPREL)** in FY18 were 100 MW solar project at Pavagada solar park, Karnataka; 50 MW solar project at Pavagada solar park, Karnataka; 25 MW solar project at Charanka solar park, Gujarat; 30 MW solar project at Palaswadi, Satara, Maharashtra. Vagarai Windfarm Limited of 21 MW capacity was commissioned under the group captive power sale mechanism.
- **Walwhan Renewable Energy Limited (WREL)** is now a fully owned subsidiary of TPREL and has one of the largest operating solar portfolios spread across India. It has an operating capacity of 1152 MW. Majority capacity is in Tamil Nadu, followed by Rajasthan, Madhya Pradesh, Karnataka and Andhra Pradesh.
- During the year, **Tata Power Solar Systems Limited (TPSSL)** achieved its highest ever revenues and net profit in it's 28 year history. The Company executed and commissioned several large rooftop projects across the country leading to growth in the top line and bottom line. In the financial year, the Company worked on 1 GW of projects across Utility scale and Rooftop domain resulting in commissioning of the largest ever quantum of over 700 MWp projects. The Company also achieved a significant milestone in its exports business and realized an export revenue of over ₹ 200 crore. TPSSL further fortified its manufacturing capabilities this year and produced over 220 MW cells and 300 MW of modules- a record high in the history of the Company.
- **Tata Power Delhi Distribution Limited (TPDDL)** registered base stood at 16.39 lakh consumers spanning across an area of 510 sq. km. in Northern and North-Western parts of Delhi. The AT&C losses of TPDDL stood at 8.40% against 8.59% last year. TPDDL also met a peak demand of 1852 MW in FY18 versus 1791 MW in FY17.
- **TP Ajmer Distribution Limited (TPADL)** Limited was formed on 17th April 2017 as a Special Purpose Vehicle (SPV) to take over the supply and distribution of power in Ajmer city. TPADL entered into an agreement with AVVNL on 19th April 2017 for distribution of power supply for 20 years and started operation with effect from 1st July 2017. The total area under the franchisee is around 190 sq. km. The total consumer base is around 1.38 lakh and total peak demand is 110 MW. TPADL completed a successful transition of operations during the peak summer season and significantly reduced the number of trippings.

Leadership with Care

CARE FOR ENVIRONMENT:

- The Company continues to practice sustainability to reinforce the core value of **'Leadership with Care'.**
- The Company has received the Domain excellence award in biodiversity conservation at the CII ITC Sustainability awards 2017.
- The Company was also ranked 3rd in the 2017 Responsible Business Ranking for Sustainability and CSR.
- **Tata Power Club Enerji** spearheaded by school children has completed 10 years and has covered more than 533 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur, Lonavala, Ajmer and five more cities. It has reached out to more than 1.93 crore citizens, collectively saved 25 Million units of electricity - equivalent to saving 25,000 tons of CO_2. All over India, 1500 Mini Clubs have also been formed under the Club Enerji initiative.
- Through the Company's **'Act for Mahseer'** movement, the Company initiated a new campaign leg- 'Each One, Reach One', which encourages the Mahseer fish knights to nominate a friend to take the pledge. This chain has resulted in the Company increasing its fish knights base to over 4500 pledges.

CARE FOR CUSTOMERS:

- The Company has been a pioneer in propagating energy conservation and efficiency. Demand-side management initiatives are being extended to customers to implement options for increasing the efficiency of energy utilization, with resulting benefits to the customer, utilites and the society.

Inauguration of Vocational Centre, Delhi

Cleanliness Drive during Volunteering week, Khopoli

CARE FOR COMMUNITY:

- The Company's Corporate Social Responsibility Initiatives covered 5.5 lakh community members across 274 villages in 5 states of India, based on its seven thrust areas. Under Financial Inclusivity, 1.5 lakh community people were linked to secure benefits in various Government Schemes. 1 lakh farmers and youth were covered under farm and non-farm interventions with increased income levels. The Company's focus on behavioural change communication resulted in safe health and sanitation practices adoption by 2 lakh people. Under its Education Excellence Initiative, 50000 children's academic performance improved.
- The Company has implemented several initiatives for Employment, Entrepreneurship, Employability, Education and Essential Amenities for the communities around its operating sites, under its affirmative action program.

CARE FOR OUR PEOPLE:

- Safety is a core value at Tata Power and all necessary actions are taken at the organisation to keep safety as priority. Safety and 5S programs of the Company have been given a lot of thrust during FY18. Training, awareness programs and safety drills were carried out across various locations of the organisation.

Health Camp for Women, Mundra

Blood Donation Camp, Trombay

Financial Highlights

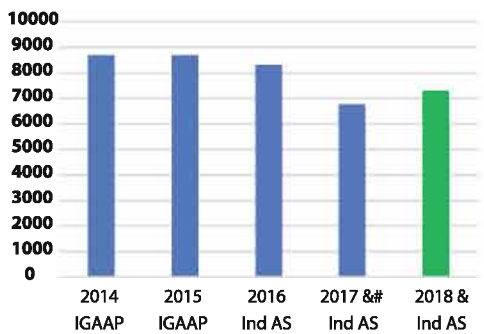
CONSOLIDATED:

- Tata Power Group's FY18 Revenue increased to ₹ 28,921 crore, up 6% as compared to ₹ 27,286 crore last year, mainly due to higher generation and sales.
- PAT was up 144% at ₹ 2,679 crore largely due to exceptional gain of ₹ 1,103 crore and higher Share of PAT from Associates and JVs as compared to ₹ 1,100 crore in FY17.
- Underlying business EBITDA including companies was up 17% at ₹ 10,104 crore mainly due to 46% increase in renewables business and strong all round performance in both, regulated and non-regulated business.

STANDALONE:

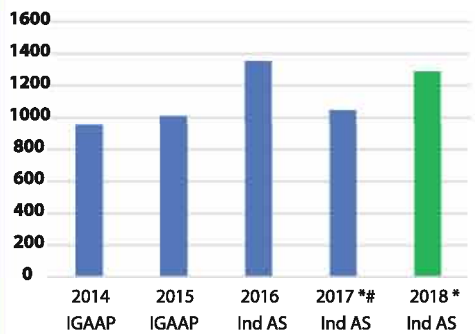
- FY18 Revenue was up 8% at ₹ 7,301 crore as compared to ₹ 6,769 crore last year, mainly due to favourable regulatory orders in the previous year.
- PAT before one time exceptional loss was up 23% at ₹ 1,287 crore as compared to FY17 profit of ₹ 1049 crore. FY18 exceptional loss of ₹ 4437 crore relates to impairment of Mundra UMPP and certain other investments whereas FY17 had exceptional loss of ₹ 651 crore relating to Docomo investment.

Standalone Revenue from Operations (In ₹ crore)



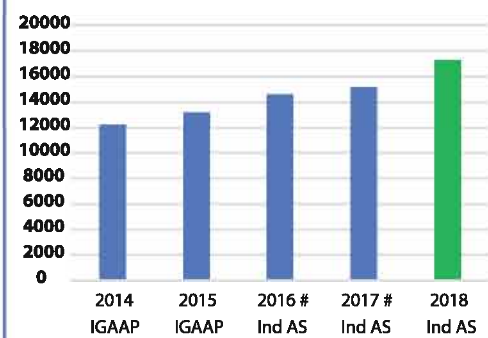
& - Excludes revenue of Strategic Engineering Division being Discontinued operations | # - Restated

Standalone Profit after Tax (In ₹ crore)



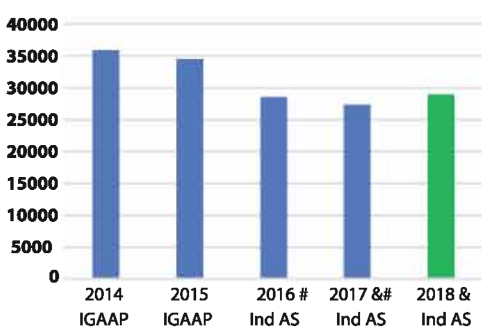
* - Before Exceptional Items
# - Restated

Consolidated Networth (In ₹ crore)



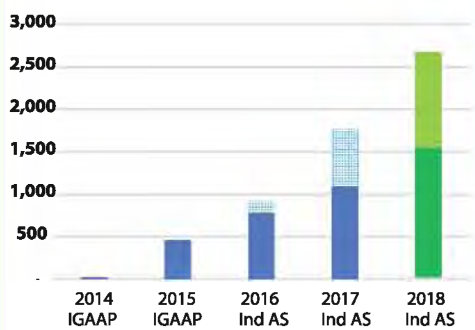
[Includes Unsecured Perpetual Securities (Rs 1,500 crore)] | # - Restated

Consolidated Revenue from Operations (In ₹ crore)



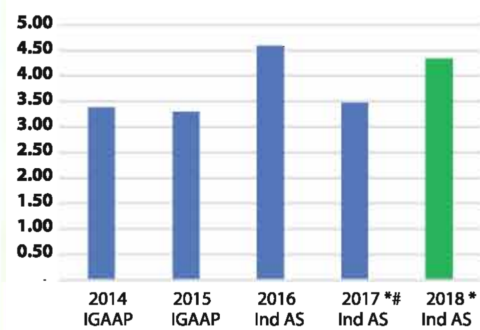
& - Excludes discontinued operation (Strategic Engineering Division)
# - Restated

Consolidated Profit After Tax (In ₹ crore)



[Includes non-controlling interest]
- Restated
Light Shaded blue portion denotes exceptional loss
Light Shaded green portion denotes exceptional gain

Standalone Earning Per Share (In ₹ crore)



* - Before Exceptional Items
# - Restated

Awards & Recognition

- Internal Audit team won the **National Innovation Award.**
- Tata Power Haldia division received **Prashansa Patra** from the National Safety Council.
- Tata Power was awarded for **Excellence in Cost Management** at the 14th National Awards for Excellence in Cost Management 2016.
- Tata Power Solar has been ranked **the number one EPC rooftop solar player** in the India Solar Rooftop report 2017, by Bridge to India.
- Tata Power was recently recognized by the Tata Group for **Promoting Employee Volunteering** and for the **Most Unique Activity (Out of the box)** during Tata Volunteering week 7 for their Project Parivartan.
- Tata Power's Jojobera teams won big at the **National Convention on Quality Concepts (NCQC)** 2017.
- Tata Power's joint venture Powerlinks Transmission Limited was lauded with **Best in Class T&D Infra Asset** at the 11th Enertia awards.

Board of Directors

Mr. Natarajan Chandrasekaran

Chairman
Non – Independent,
Non – Executive Director

Mr. Nawshir H. Mirza

Independent,
Non – Executive Director

Mr. Deepak M. Satwalekar

Independent,
Non – Executive Director

Ms. Anjali Bansal

Independent,
Non – Executive Director

Ms. Vibha Padalkar

Independent,
Non – Executive Director

Mr. Sanjay V Bhandarkar

Independent,
Non – Executive Director

Mr. K M Chandrasekhar

Independent,
Non – Executive Director

Mr. Hemant Bhargava

LIC Nominee Director

Mr. Saurabh Agrawal

Non – Executive Director

Mr. Banmali Agrawala

Non - Executive Director

Mr. Praveer Sinha

CEO & Managing Director

Mr. Ashok S.Sethi

COO & Executive Director

CHIEF FINANCIAL OFFICER
Mr. Ramesh N. Subramanyam

COMPANY SECRETARY
Mr. Hanoz M. Mistry

STATUTORY AUDITORS
S R B C & CO. LLP

SOLICITORS
Mulla & Mulla & Craigie Blunt & Caroe
Cyril Amarchand Mangaldas

BANKERS
Axis Bank Limited
State Bank of India
Citibank N. A.
Bank of America
DBS Bank Limited
Credit Agricole S. A.
ICICI Bank Limited
HDFC Bank Limited
IDFC Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
Asian Development Bank
Kotak Mahindra Bank Limited
Standard Chartered Bank Limited

REGISTERED OFFICE
Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
Tel. 022 6665 8282; Fax. 022 6665 8801
Email: tatapower@tatapower.com
Website: www.tatapower.com
CIN: L28920MH1919PLC000567

CORPORATE OFFICE
Corporate Centre, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai 400 009.
Tel. 022 6717 1000

SHARE REGISTRARS
TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
Near Famous Studio,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011.
Tel. 022 6656 8484; Fax. 022 6656 8494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

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Annual General Meeting

Date : **Friday, 27th July 2018**
Time : **3:00 p.m.**
Venue : **Birla Matushri Sabhagar,**
Sir Vithaldas Thackersey Marg,
19, New Marine Lines, Mumbai 400 020

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETY-NINTH ANNUAL GENERAL MEETING OF THE TATA POWER COMPANY LIMITED will be held on Friday, the 27th day of July 2018 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020, to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018, together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31st March 2018.
4. To appoint a Director in place of Mr. N. Chandrasekaran (DIN: 00121863), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

5. **Appointment of Mr. Hemant Bhargava as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Hemant Bhargava (DIN: 01922717), who was appointed as an Additional Director of the Company with effect from 24th August 2017, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Appointment of Mr. Saurabh Agrawal as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Saurabh Agrawal (DIN: 02144558), who was appointed as an Additional Director of the Company with effect from 17th November 2017, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **Appointment of Mr. Banmali Agrawala as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Banmali Agrawala (DIN: 00120029), who was appointed as an Additional Director of the Company with effect from 17th November 2017, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. **Appointment of Mr. Praveer Sinha as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that Mr. Praveer Sinha (DIN: 01785164), who was appointed as an Additional Director of the Company with effect from 1st May 2018, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

9. **Appointment of Mr. Praveer Sinha as CEO & Managing Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the appointment and terms of remuneration of Mr. Praveer Sinha (DIN: 01785164) as the CEO & Managing Director of the Company for the period of five years from 1st May 2018 to 30th April 2023, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sinha.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

10. **Private placement of Non-Convertible Debentures/ Bonds**

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

"RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, both as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to cumulative/non-cumulative, listed or unlisted, redeemable non-convertible debentures (NCDs) including but not limited to bonds and/or other debt securities, denominated in Indian rupees or any foreign currency, aggregating to an amount not exceeding ₹ 5,500 crore or its equivalent in one or more currencies on private placement basis, in one or more series/tranches during a period of one year from the date of passing this Resolution, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs/bonds/debt securities be issued, the consideration for the issue, utilization of issue proceeds and all matters connected with or incidental thereto and that such borrowing is within the overall borrowing limits of the Company.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers or agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper and desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

11. **Commission to Non-Executive Directors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year commencing 1st April 2018."

12. **Appointment of Branch Auditors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorised to appoint as Branch Auditor(s) of any Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any persons, qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

13. **Ratification of Cost Auditor's Remuneration**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 6,50,000 (Rupees Six lakh fifty thousand) plus Service tax, travel and actual out-of-pocket expenses incurred in connection with the audit, payable to M/s. Sanjay Gupta and Associates, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2018-19."

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 5 to 13 above and the relevant details of the Directors seeking re-appointment/ appointment as set out in Item Nos. 4 to 8 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

   Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.

4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

5. **The Register of Members and the Transfer Books of the Company will remain closed from Saturday, 14th July 2018 to Friday, 27th July 2018, both days inclusive.** If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after 30th July 2018, as under:

   i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited (both collectively referred to as 'Depositories') as of the close of business hours on 13th July 2018;

   ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 13th July 2018.

6. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRD) for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.

7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their DPs.

8. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to Report on Corporate Governance which is a part of this Annual Report.

9. Members holding shares in physical form and who have not registered their e-mail IDs are requested to register the same with TSRD.

10. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.

12. Process and manner for Members opting for e-Voting are as under:-

I. In compliance with provisions of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the AGM (remote e-Voting) will be provided by National Securities Depository Limited (NSDL). Instructions for e-Voting are given herein below. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.

II. Members are provided with the facility for voting through electronic voting system at the AGM and Members attending the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM.

III. Members who have cast their vote by remote e-Voting prior to the AGM are also eligible to attend the AGM but shall not be entitled to cast their vote again.

IV. Members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date of 20th July 2018, may cast their vote by remote e-Voting. The remote e-Voting period commences on Tuesday, 24th July 2018 at 9:00 a.m. (IST) and ends on Thursday, 26th July 2018 at 5:00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

V. The instructions for Members for e-Voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at www.evoting.nsdl.com/

How to Log-in to NSDL e-Voting website?

A. Visit the e-Voting website of NSDL. Open web browser by typing the following: www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

B. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
i)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
ii)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
iii)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456 then user ID is 101456001***

E. Your password details are given below:

i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii) How to retrieve your 'initial password'?

a) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b) If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.

F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

H. Now, you will have to click on 'Login' button.

I. After you click on the 'Login' button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

C. Select 'EVEN' of company for which you wish to cast your vote.

D. Now you are ready for e-Voting as the Voting page opens.

E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

F. Upon confirmation, the message 'Vote cast successfully' will be displayed.

G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

i) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.

ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VI. The voting rights of Members shall be in proportion to their shares of the paid-up Equity share capital of the Company as on the cut-off date of 20th July 2018.

VII. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 20th July 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/TSRD.

VIII. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.

IX. The Board of Directors has appointed Mr. P. N. Parikh (FCS 327) or failing him, Mr. Mitesh Dhabliwala (FCS 8331) of M/s. Parikh and Associates, Company Secretaries as Scrutinizer to scrutinize the voting at the AGM and remote e-Voting process, in a fair and transparent manner.

X. The Chairman shall, at the AGM, allow voting with the assistance of Scrutinizer, to all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

XI. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII. The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website www.tatapower.com and on the website of NSDL, immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and National Stock Exchange of India Limited. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.

13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. The said form can be downloaded from the Company's website www.tatapower.com (under 'Investor Relations section). Members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to TSRD in case the shares are held by them in physical form.

14. **Updation of Members details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or TSRD in physical mode or in electronic mode, as per instructions mentioned on the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or TSRD.

By Order of the Board of Directors,
For The Tata Power Company Limited

H. M. Mistry
Company Secretary
FCS No.: 3606

Mumbai, 14th May 2018.

Registered Office:
Bombay House, 24, Homi Mody Street,
Mumbai 400 001.
CIN: L28920MH1919PLC000567
Tel: 91 22 6665 8282 Fax: 91 22 6665 8801
E-mail: tatapower@tatapower.com
Website: www.tatapower.com

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 13 of the accompanying Notice dated 14th May 2018:

Item No.5: Mr. Pravin H. Kutumbe, Life Insurance Corporation of India's (LIC) Nominee on the Board of your Company, submitted his resignation as Director, which was effective 20th May 2017.

LIC then nominated their Managing Director, Mr. Hemant Bhargava, as Nominee Director of LIC on the Board of the Company. He was appointed as an Additional Director of the Company with effect from 24th August 2017 by the Board of Directors under Section 161(1) of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Bhargava holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Bhargava's appointment as a Director.

Mr. Bhargava, aged 58 years, is an M.A. in Economics. He took charge as Managing Director of LIC on 10th February 2017. Prior to this, he was the Head of Northern Zone comprising Delhi, Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Haryana States and Union Territory of Chandigarh. Prior to that, he was heading Eastern Zone comprising Arunachal Pradesh, Assam, Meghalaya, Mizoram, Manipur, Nagaland, Sikkim, Tripura and West Bengal States and Union Territory of Andaman and Nicobar Islands. He has rich experience of more than three decades in the Life Insurance industry in India and abroad. He had been country head of LIC Mauritius, head of International Operations SBU of LIC and was Executive Director (Marketing and Product Development) for LIC. He is the founder CEO of LIC Cards Services Ltd. and he founded the Micro Insurance vertical for LIC. He is also founder President of Indo Mauritian Business Group in Mauritius. Mr. Bhargava has served on the Boards of National Mutual Fund, Mauritius; LIC Mauritius Offshore Ltd. and Krishna Knitwear Ltd., Mumbai. He was a member of Insurance Institute of India AC and was also appointed as Director on the boards of PTC India Ltd., New Delhi and NEDFi Ltd., Guwahati.

The Board commends the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

Other than Mr. Bhargava and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

Mr. Bhargava is not related to any other Director or KMP of the Company.

Item No.6: Mr. Saurabh Agrawal was appointed as an Additional Director of the Company with effect from 17th November 2017 by the Board of Directors under Section 161(1) of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Agrawal holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Agrawal's appointment as a Director.

Mr. Agrawal, aged 48 years, joined Tata Sons Limited (TSL) in July 2017 as the Group Chief Financial Officer. As an investment banker, he brings with him over two decades of rich experience in capital markets. Starting his career in 1995, Mr. Agrawal has a sterling record in both strategy and execution, covering a wide range of industries. He joined TSL from the Aditya Birla Group, where he was head of strategy. Prior to that, he has been head of the corporate finance unit of Standard Chartered Bank in India and South Asia, and the head of the investment banking division in DSP Merrill Lynch.

He is a graduate of the Indian Institute of Technology, Roorkee, and has a post graduate management degree from the Indian Institute of Management, Calcutta.

The Board commends the Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Other than Mr. Agrawal and his relatives, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Mr. Agrawal is not related to any other Director or KMP of the Company.

Item No.7: Mr. Banmali Agrawala was appointed as an Additional Director of the Company with effect from 17th November 2017 by the Board of Directors under Section 161(1) of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Agrawala holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Agrawala's appointment as a Director.

Mr. Agrawala, aged 55 years, joined TSL in October 2017 as President, Infrastructure, Defence and Aerospace, reporting to the Executive Chairman, Mr. N. Chandrasekaran. His global experience in infrastructure will be very beneficial as the Company aspires for the next phase of growth. His knowledge in several areas including leadership development, digital infrastructure, innovation and technology, will also be very beneficial to the Company. Prior to this, he was President and CEO of GE South Asia, a position he held since February 2013. Earlier, Mr. Agrawala was the Executive Director (Business Development & Strategy) on the Company's Board from February 2008 to November 2011. Prior to that, he was the Managing Director of Wartsila

India Limited and Group Vice President, Bio Power, Wartsila Corporation, responsible for the global Bio Power business.

He is a Mechanical Engineering graduate from Mangalore University and an alumnus of the Advanced Management Programme of Harvard Business School.

The Board commends the Resolution at Item No.7 of the accompanying Notice for approval by the Members of the Company.

Other than Mr. Agrawala and his relatives, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

Mr. Agrawala is not related to any other Director or KMP of the Company.

Item Nos. 8 and 9: Mr. Praveer Sinha was appointed as an Additional Director of the Company with effect from 1st May 2018 by the Board of Directors under Section 161(1) of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Sinha holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Sinha's appointment as a Director.

The Board also appointed Mr. Sinha as CEO & Managing Director of the Company for the period from 1st May 2018 to 30th April 2023, subject to approval of the Members.

Mr. Sinha has over three decades of experience in the power sector and has been credited with transforming the power distribution sector and development and setting up of greenfield and brownfield power plants in India and abroad.

Mr. Sinha holds a Master's Degree in Business Law from National Law School, Bengaluru and is also professionally trained as an Electrical Engineer. He is also a member of the Faculty Board at Faculty of Management Studies and a member of Board of Governors at the Indraprastha Institute of Information Technology, Delhi. He is a Research Scholar at the Indian Institute of Technology, Delhi and is also a visiting Scholar at Massachusetts Institute of Technology, Boston, USA.

Mr. Sinha was the CEO & Managing Director of Tata Power Delhi Distribution Limited, a Public Private Partnership (Joint Venture) between the Company and Government of National Capital Territory of Delhi, supplying power to over seven million people in North and North-West Delhi.

The principal terms and conditions of Mr. Sinha's appointment as CEO & Managing Director (hereinafter referred to as 'Mr. Sinha' or the 'CEO & Managing Director') are as follows:

1. Term and Termination:

1.1 From 1st May 2018 to 30th April 2023.

1.2 The Agreement may be terminated earlier, without any cause, by Mr. Sinha or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. Duties and Powers:

2.1 The CEO & Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the CEO & Managing Director from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

2.2 The CEO & Managing Director shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The CEO & Managing Director undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2.4 The CEO & Managing Director shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

3.1 So long as the CEO & Managing Director performs his duties and conforms to the terms and conditions contained in his Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force:

A) <u>Basic Salary</u>: ₹ 7,50,000 per month upto a maximum of ₹ 15,00,000 per month, with authority of the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit based and take into account the Company's performance as well

B) <u>Benefits, Perquisites, Allowances</u>: In addition to the Basic Salary referred to in (A) above, the CEO & Managing Director shall be entitled to:

a) Rent-free residential accommodation (furnished or otherwise), the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary (in case residential accommodation is not provided by the Company).

b) Hospitalisation, Transport, Telecommunication and other facilities:

i) Hospitalisation and major medical expenses for self, spouse and dependent (minor) children;

ii) Car, with driver provided, maintained by the Company for official and personal use. If this is not availed, Mr. Sinha will be paid a monthly allowance of ₹ 2.3 lakh per month to cover the cost of the vehicle, fuel, maintenance and driver. This amount will be fully taxable in his hands.

iii) Telecommunication facilities including broadband, internet and mobile.

iv) Housing Loan as per the Rules of the Company.

c) Other perquisites and allowances given below subject to a maximum of 55% of the basic salary, comprising the following:

i)	Allowances		33.34%
ii)	Leave Travel Concession/Allowance		8.33%
iii)	Medical allowance		8.33%
			50.00%
iv)	Personal Accident Insurance	) @ actuals subject	
v)	Club Membership fees of 2 clubs	) to a cap of	5.00%
			55.00%

d) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company. In case there is no contribution to the Superannuation Fund, the same would be payable as an allowance as per the Rules of the Company.

e) The CEO & Managing Director shall be entitled to leave in accordance with the Rules of the Company. Annual Leave earned but not availed by the CEO & Managing Director is encashable in accordance with the Rules of the Company

C) Commission: In addition to Salary, Benefits, Perquisites and Allowances payable, the CEO & Managing Director would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the CEO & Managing Director will be based on his performance as evaluated by the Board or the Nomination and Remuneration Committee and approved by the Board and will be payable annually after the annual accounts have been adopted by the Board.

D) Incentive Remuneration: Such incentive remuneration not exceeding 200% of salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

4. The terms and conditions of the appointment of the CEO & Managing Director and/or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO & Managing Director, subject to such approvals as may be required.

5. The CEO & Managing Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

6. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO & Managing Director, unless specifically provided otherwise.

7. The employment of the CEO & Managing Director may be terminated by the Company without notice or payment in lieu of notice:

a. if the CEO & Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the CEO & Managing Director of any of the stipulations contained in the Agreement; or

c. in the event the Board expresses its loss of confidence in the CEO & Managing Director.

8. In the event the CEO & Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may

consider appropriate in the circumstances.

9. Upon the termination by whatever means of his employment under the Agreement:

   a. the CEO & Managing Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;

   b. the CEO & Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

10. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Sinha will cease to be the CEO & Managing Director and also cease to be a Director of the Company. If at any time, the CEO & Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CEO & Managing Director and the Agreement shall forthwith terminate. If at any time, the CEO & Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and CEO & Managing Director of the Company.

11. The terms and conditions of the appointment of the CEO & Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

12. The appointment of Mr. Sinha in the Company will be construed as a transfer from Tata Power Delhi Distribution Limited and for all intents and purposes, the date of joining will be the date on which Mr. Sinha joined the Group. Mr. Sinha will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

The Company is a player across the value chain of power business allowing it to capitalise on market opportunities in all segments. The key target area for the Company at this point of time is for scaling up of generation capacity with a focus on renewables and value added businesses. The Directors are of the view that the appointment of Mr. Sinha as CEO & Managing Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience and, accordingly, commend the Resolutions at Item Nos. 8 and 9 of the accompanying Notice for approval by the Members of the Company.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Other than Mr. Sinha and his relatives, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.8 and 9 of the accompanying Notice.

Mr. Sinha is not related to any other Director or KMP of the Company.

Item No.10: As per Section 42 of the Act, read with the Rules framed thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures/Bonds (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

The long term borrowings of the Company as on 31st March 2018 are approx. ₹ 12,300 crore. The Company estimates to borrow around ₹ 5,500 crore within 12 months from the date of passing of this resolution, which would be utilized for Bond/Loans which are re-payable in next 12 months including the loans taken for acquisition of Walwhan Renewable Energy Limited. Furthermore, the Company also intends to raise Bonds upto ₹ 2,000 crore to part refinance Coastal Gujarat Power Limited foreign currency loan, if required.

Among the various options for raising such funds, the Company may need to raise funds by way of NCDs of upto ₹ 5,500 crore to meet these requirements.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act, read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution at Item No.10 within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board commends the Resolution at Item No.10 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.10 of the accompanying Notice.

Item No.11: Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of members. Regulation 17(6)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of members in general meeting.

The Members of the Company, at the 94th Annual General Meeting held on 16th August 2013, approved the remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding one percent per annum of the net profits of the Company for each year for a period of five years commencing from 1st April 2013 till 31st March 2018.

Since the validity of the earlier resolution passed by the Members expired in FY18, approval is sought from Members for renewal of the resolution from 1st April 2018. Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding one percent per annum of the net profits of the Company calculated in accordance with provisions of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee and approval by the Board of Directors of the Company. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

The Board commends the Resolution at Item No.11 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives, except all of the Non-Executive Directors of the Company to the extent to whom the resolution relates, are concerned or interested in the Resolution at Item No.11 of the accompanying Notice.

Item No.12: As Members are aware, the Company is undertaking several projects/contracts in India as well as outside India mainly for the erection, operation and maintenance of power generation and distribution facilities. To enable the Directors to appoint Branch Auditors for the purpose of auditing the accounts of the Company's Branch Offices outside India (whether now existing or as may be established), the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 143 of the Act, in terms of the Resolution at Item No.12 of the accompanying Notice.

The Board commends the Resolution at Item No.12 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.12 of the accompanying Notice.

Item No.13: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of M/s. Sanjay Gupta and Associates (SGA) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2018-19, at a remuneration of ₹ 6,50,000 (Rupees Six lakh fifty thousand) plus Service tax and actual out-of-pocket expenses.

SGA have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

The Board commends the Resolution at Item No.13 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.13 of the accompanying Notice.

By Order of the Board of Directors,
For The Tata Power Company Limited

H. M. Mistry
Company Secretary
FCS No.: 3606

Mumbai,14th May 2018

Registered Office:
Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
CIN: L28920MH1919PLC000567
Tel: 91 22 6665 8282 Fax: 91 22 6665 8801
E-mail: tatapower@tatapower.com
Website: www.tatapower.com

Details of the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting
(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard -2 on General Meetings)

Name of Director	**Mr. N. Chandrasekaran**	**Mr. Hemant Bhargava**	**Mr. Saurabh Agrawal**
Date of Birth (Age)	2nd June 1963 (54 years)	20th July 1959 (58 years)	13th August 1969 (48 years)
Date of Appointment	11th February 2017	24th August 2017	16th November 2017
Expertise in specific functional areas	Mr. Chandrasekaran is the Executive Chairman of Tata Sons Limited, having been appointed as a director on its board on 25th October 2016. He was the Chief Executive Officer and Managing Director of Tata Consultancy Services Limited (TCS), a leading global IT solution and consulting firm, a position he held since 2009 till February 2017. He joined TCS in 1987 and under his leadership, TCS has become the largest private sector employer in India with the highest retention rate in a globally competitive industry. Under Mr. Chandrasekaran's leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and recognised as a Global Top Employer by the Top Employers Institute across 24 countries. He was also appointed as a director on the board of the Reserve Bank of India in 2016. He has served as the chairperson of IT Industry Governors at the WEF, Davos, in 2015-16. He has been playing an active role in the Indo-US and India-UK CEO Forums. He is also part of India's business taskforces for Australia, Brazil, Canada, China, Japan and Malaysia. He served as the Chairman of Nasscom, the apex trade body for IT services firms, in India in 2012-13 and continues to be a member of its governing executive council.	Mr. Bhargava took charge as Managing Director of LIC on 10th February 2017. Prior to this, he was the Head of Northern Zone comprising Delhi, Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Haryana States and Union Territory of Chandigarh. Prior to that, he was heading Eastern Zone comprising Arunachal Pradesh, Assam, Meghalaya, Mizoram, Manipur, Nagaland, Sikkim, Tripura and West Bengal States and Union Territory of Andaman and Nicobar Islands. He has rich experience of more than three decades in the Life Insurance industry in India and abroad. He had been country head of LIC Mauritius, head of International Operations SBU of LIC and was Executive Director (Marketing and Product Development) for LIC. He is the founder CEO of LIC Cards Services Ltd. and he founded the Micro Insurance vertical for LIC. He is also founder President of Indo Mauritian Business Group in Mauritius. Mr. Bhargava has served on the Boards of National Mutual Fund, Mauritius; LIC Mauritius Offshore Ltd. and Krishna Knitwear Ltd., Mumbai. He was a member of Insurance Institute of India AC and was also appointed as Director on the boards of PTC India Ltd., New Delhi and NEDFi Ltd., Guwahati.	Mr. Agrawal joined Tata Sons Limited (TSL) in July 2017 as the Group Chief Financial Officer. An investment banker, he brings with him over two decades of rich experience in capital markets. Starting his career in 1995, Mr. Agrawal has a sterling record in both strategy and execution, covering a wide range of industries. He joined TSL from the Aditya Birla Group, where he was head of strategy. Prior to that, he has been head of the corporate finance unit of Standard Chartered Bank in India and South Asia, and the head of the investment banking division in DSP Merrill Lynch.
Qualifications	Master's in computer applications from Regional Engineering College, Trichy, Tamil Nadu.	M.A. in Economics	Graduate of the Indian Institute of Technology, Roorkee. Post graduate management degree from the Indian Institute of Management, Calcutta.
Directorships held in other companies (excluding foreign companies)	• Tata Sons Ltd. • Tata Consultancy Services Ltd. • Tata Steel Ltd. • Tata Motors Ltd. • The Indian Hotels Co. Ltd. • Tata Global Beverages Ltd. • TCS Foundation • Reserve Bank of India	• Life Insurance Corporation of India • Life Insurance Corporation of India Golden Jubilee Foundation • Infrastructure Leasing and Financial Services Ltd. • Voltas Ltd. • LICHFL Asset Management Co. Ltd. • LIC Pension Fund Ltd. • LICHFL Care Homes Ltd. • LIC Mutual Fund Trustee Pvt. Ltd.	• Tata Sons Ltd. • Tata Steel Ltd. • Tata Capital Ltd. • Tata AIA Life Insurance Co. Ltd. • Tata AIG General Insurance Co. Ltd. • Tata Teleservices Ltd. • Tata Sky Limited • Gradis Trading Pvt. Ltd. • Natural Fruits Pvt. Ltd. • Chambal Natural Fruits Pvt. Ltd • Natural Whole Fruits Pvt. Ltd. • Candid Fruits Pvt. Ltd.

Name of Director	Mr. N. Chandrasekaran	Mr. Hemant Bhargava	Mr. Saurabh Agrawal
Committee position held in other companies	**Nomination and Remuneration Committee** *Member* • Tata Sons Ltd. • Tata Consultancy Services Ltd. • Tata Steel Ltd. • Tata Motors Ltd. • The Indian Hotels Co. Ltd. • Tata Global Beverages Ltd. **Corporate Social Responsibility Committee** *Chairman* • Tata Consultancy Services Ltd. **Executive Committee of the Board** *Chairman* • Tata Consultancy Services Ltd. • Tata Steel Ltd. **Special Committee** *Member* • Tata Sons Ltd. **Human Resource Management Sub-committee** *Member* • Reserve Bank of India	**Audit Committee** *Member* • LIC Pension Fund Ltd. **Executive Committee** *Member* • Life Insurance Corporation of India **Policy Holders Protection Committee** *Member* • Life Insurance Corporation of India **Investment Committee** *Member* • Life Insurance Corporation of India **Shareholders Committee** *Member* • Life Insurance Corporation of India	**Audit Committee** *Chairman* • Tata Teleservices Ltd. *Member* • Tata AIA Life Insurance Co. Ltd. • Tata Steel Ltd. **Stakeholders Relationship Committee** *Member* • Tata Steel Ltd. **Nomination and Remuneration Committee** *Chairman* • Tata AIG General Insurance Co. Ltd. • Tata Teleservices Ltd. *Member* • Tata Capital Ltd. • Tata AIA Life Insurance Co. Ltd. **Risk Management Committee** *Chairman* • Tata Capital Ltd. *Member* • Tata Steel Ltd. **Executive Committee of the Board** *Member* • Tata Steel Ltd. **Share/Warrant/Debenture Allotment and Transfer Committee** *Member* • Tata Teleservices Ltd. **Finance Committee** *Chairman* • Tata Teleservices Ltd. **Finance and Asset Liability Supervisory Committee** *Chairman* • Tata Capital Ltd. **Investment Committee** *Member* • Tata AIA Life Insurance Co. Ltd. • Tata AIG General Insurance Co. Ltd. **Profits Committee** *Member* • Tata AIA Life Insurance Co. Ltd. **Network and Technical Committee** *Member* • Tata Teleservices Ltd.
Remuneration	N.A.	N.A.	N.A.
No. of meetings of the Board attended during the year	8	5	4
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	 Nil Nil	 Nil Nil	 Nil Nil

Name of Director	Mr. Banmali Agrawala	Mr. Praveer Sinha
Date of Birth (Age)	30th April 1963 (55 years)	8th April 1962 (56 years)
Date of Appointment	17th November 2017	1st May 2018
Expertise in specific functional areas	Mr. Agrawala joined Tata Sons Limited in October 2017 as President, Infrastructure, Defence and Aerospace, reporting to the Executive Chairman, Mr. N Chandrasekaran. His global experience in infrastructure will be very beneficial as the Company aspires for the next phase of growth. His knowledge in several areas including leadership development, digital infrastructure, innovation and technology, will also be very beneficial to the Company. Prior to this, he was President and CEO of GE South Asia, a position he held since February 2013. Earlier, Mr. Agrawala was the Executive Director (Business Development & Strategy) on the Company's Board from February 2008 to November 2011. Prior to that, he was the Managing Director of Wartsila India Limited and Group Vice President, Bio Power, Wartsila Corporation, responsible for the global Bio Power business.	Mr. Sinha has over three decades of experience in the power sector and has been credited with transforming the power distribution sector and development and setting up of greenfield and brownfield power plants in India and abroad. Mr. Sinha is also a member of the Faculty Board at Faculty of Management Studies and a member of Board of Governors at the Indraprastha Institute of Information Technology, Delhi. He is a Research Scholar at the Indian Institute of Technology Delhi and is also a visiting Scholar at Massachusetts Institute of Technology, Boston, USA. Mr. Sinha was the CEO & Managing Director of Tata Power Delhi Distribution Limited, a Public Private Partnership (Joint Venture) between the Company and Government of National Capital Territory of Delhi, supplying power to over seven million people in North and North-West Delhi.
Qualifications	Mechanical Engineering graduate from Mangalore University. Alumnus of the Advanced Management Programme of Harvard Business School.	Master's Degree in Business Law from National Law School, Bengaluru and is also professionally trained as an Electrical Engineer.
Directorships held in other companies (excluding foreign companies)	• TAL Manufacturing Solutions Ltd. • Tata Projects Ltd. • Tata Advanced Materials Ltd. • Tata Housing Development Co. Ltd. • Tata Realty and Infrastructure Ltd.	• Tata Power Delhi Distribution Ltd. • Tata Power Renewable Energy Ltd. • Tata Power Solar Systems Ltd. • Tata Power Trading Company Ltd.
Committee position held in other companies	Nil	Nil
Remuneration	N.A.	N.A.
No. of meetings of the Board attended during the year	3	N.A.
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	 Nil Nil	 Nil Nil

Route Map for AGM Venue

Venue:
Birla Matushri Sabhagar,
Sir Vithaldas Thackersey
Marg, 19, New Marine Lines,
Mumbai 400 020.

Landmark:
Next to Bombay Hospital

Distance from **Churchgate Station:** 1 km

Distance from **Chhatrapati Shivaji Terminus:** 1.2 km

Distance from **Marine Lines Station:** 0.8 km

BOARD'S REPORT

To the Members,

The Directors are pleased to present to you the Ninety-Ninth Annual Report on the business and operations of your Company along with the audited Financial Statements of Account for the year ended 31st March 2018.

1. FINANCIAL RESULTS

Figures in ₹ crore *(Table 1)*

		Standalone		Consolidated	
		FY18	FY17#	FY18	FY17#
(a)	Net Sales/Income from Other Operations*	7,301	6,769	28,921	27,286
(b)	(Less): Operating Expenditure	(4,924)	(4,651)	(22,860)	(21,585)
(c)	**Operating Profit**	**2,377**	**2,118**	**6,061**	**5,701**
(d)	(Less)/: Forex Loss/(Gain) (excluding Forex Loss/(Gain) on Borrowings)	(20)	(23)	(114)	(94)
(e)	Add: Other Income	929	995	433	586
(f)	(Less): Finance Cost (including Forex Loss/(Gain) on Borrowings)	(1,431)	(1,319)	(3,723)	(3,365)
(g)	**Profit before Depreciation and Tax**	**1,855**	**1,771**	**2,657**	**2,828**
(h)	(Less): Depreciation/Amortisation/Impairment	(663)	(605)	(2,398)	(1,956)
(i)	**Profit before Share of Profit of Associates and Joint Ventures**	**1,192**	**1,166**	**259**	**872**
(j)	Add: Share of Profit of Associates and Joint Ventures	-	-	1,554	1,226
(k)	**Profit before Exceptional Items**	**1,192**	**1,166**	**1,813**	**2,098**
(l)	(Less)/Add: Exceptional Items	(4,437)	(651)	1,102	(651)
(m)	**Profit/(Loss) before Tax**	**(3,245)**	**515**	**2,915**	**1,447**
(n)	(Less)/Add: Tax Expenses or Credit	166	(120)	(164)	(350)
(o)	**Net Profit/(Loss) after Tax from Continuing Operations**	**(3,079)**	**395**	**2,751**	**1,097**
(p)	Profit/(Loss) before Tax from Discontinued Operations	(86)	16	(86)	16
(q)	(Less)/Add: Tax Expenses or Credit from Discontinued Operations	14	(13)	14	(13)
(r)	**Net Profit/(Loss) after Tax from Discontinued Operations**	**(72)**	**3**	**(72)**	**3**
(s)	**Net Profit/(Loss) for the year**	**(3,151)**	**398**	**2,679**	**1,100**
(t)	**Net Profit/(Loss) for the year Attributable to –**				
	- Owners of the Company	**(3,151)**	**398**	**2,477**	**897**
	- Non-controlling interests	**-**	**-**	**202**	**203**
(u)	**Other Comprehensive income (Net of Tax)**	**45**	**(122)**	**94**	**(133)**
(v)	**Total Comprehensive Income**	**(3,106)**	**276**	**2,773**	**967**
	Attributable to –				
	- Owners of the Company	**(3,106)**	**276**	**2,571**	**764**
	- Non-controlling interests	**-**	**-**	**202**	**203**

**Including rate regulatory income/(expense)*

#Restated - Refer notes to standalone/consolidated financial statements

2. FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS

2.1. CONSOLIDATED

On a Consolidated basis, the Operating Revenue was at ₹ 28,921 crore in FY18, compared to ₹ 27,286 crore in FY17. The increase was mainly due to higher revenue from the renewables portfolio and higher fuel cost being passed through for the regulated business.

The Consolidated Profit after Tax in FY18 was at ₹ 2,679 crore compared to ₹ 1,100 crore in the previous year mainly due to higher contribution by the coal mines, renewables business and associates, lower foreign exchange losses, recognition of deferred tax assets of certain investments treated as held for sale and reversal of impairment provisions of Coal Companies made in earlier years. This was partly offset by loss towards contractual obligation on account of purchase of shares in Tata Teleservices Limited (TTSL) from NTT DoCoMo Inc., Japan (Docomo). [Refer Section 10 - Management Discussion and Analysis (MD&A) of this report for details]

2.2. STANDALONE

On a Standalone basis, the Operating Revenue stood at ₹ 7,301 crore in FY18 compared to ₹ 6,769 crore in FY17. The increase was mainly due to higher fuel cost and power purchase cost being passed through for the regulated business.

The loss in FY18 was at ₹ 3,151 crore as compared to profit of ₹ 398 crore last year. This was mainly due to impairment provisions made for investments in Coastal Gujarat Power Limited (CGPL), hydro projects in overseas locations and impairment of a unit of Trombay Generating Station. This was partly offset by deferred tax assets recognised on certain investments treated as held for sale.

The Earnings per Share (Basic and Diluted) in FY18 stood at ₹ 4.34 before exceptional items and at ₹ (12.05) after exceptional items.

(Refer Section 9 - MD&A of this report for details)

2.3. EXCEPTIONAL ITEM

CGPL-Coal Mines SBU: The Board after considering the fact that the Indonesian coal mines were acquired to supply coal to CGPL as also to act as a hedge for the coal price risk that the CGPL PPA exposes it to, and considering that the hedge has consistently performed well on an overall basis, has approved treating both as a single cash generating unit. This has a significant impact on how the impairment of the combined CGU is assessed. The past year has shown a consistent increase in the price of coal and this is expected to persist for the foreseeable future. Having regard to this, an impairment of the investment in CGPL has had to be recognized. In addition, a reassessment of electricity prices predicted for the post Power Purchase Agreement (PPA) period also has had a negative impact on the value of CGPL.

The combined effect of these two has resulted in an impairment of ₹ 3,555 crore of the investment in CGPL in the standalone accounts. This is because, unlike in the consolidated accounts, in the standalone accounts each investment must be impaired on its own, without setting off the appreciation in other investments and also because in those accounts the investments are carried at cost or lower.

However, in the consolidated accounts the impact is not the same because the losses incurred by CGPL in past years have already been recognized in those accounts over the years. On the other hand, the increase in coal prices has resulted in a positive impact on the value of the coal mines investment, making it possible to reverse an impairment of ₹ 1,887 crore accounted for in earlier years when the long-term prediction for coal prices was well below the revised, current prediction.

It may be noted that several assumptions are involved in arriving at the above provisions.

Georgia Hydro Power Project: The standalone accounts contain an impairment provision for the investment in, and commitment to, Tata Power International Pte. Ltd. (TPIPL), a wholly owned subsidiary which had invested in a joint venture company setting up a Hydro power plant in Georgia, aggregating to ₹ 675 crore due to depressed power prices in the open market in Turkey coupled with the devaluation of Turkish Lira as also because of a tunnel collapse that has led to a delay in the commercial operation of the plant apart from higher project cost.

The corresponding provision in the consolidated accounts is ₹ 528 crore because operating losses have been recognized in the profit and loss account for the difference.

Tata Teleservices Ltd.: A provision has been made for damages of ₹ 107 crore towards contractual obligation representing mark to market loss on change in the value of put option on the equity shares of TTSL in both, the standalone as also the consolidated accounts.

Trombay: Your Company has recognized an impairment loss of ₹ 100 crore (in both, the standalone as also the consolidated accounts) for one of its units of the Trombay Thermal Power Station consequent on the expiry of its PPA at the end of FY19 with no scope currently existing for finding a buyer for its power.

Others (only in the consolidated accounts): Impairment of ₹ 38 crore for the carrying amount of Rithala power plant in Tata Power Delhi Distribution Limited due to no likelihood of its operation with gas not being available at administered prices and the partial disallowance of tariff by DERC (appealed against).

Goodwill of ₹ 12 crore has been written down in solar power plant acquired by the company consequent on the value for which it was incurred having been realized.

2.4. ANNUAL PERFORMANCE

Details of the Company's annual financial performance as published on the Company's website and presented during the Analyst Meet, after declaration of annual results can be accessed using the following link:

https://www.tatapower.com/pdf/investor-relations/analyst-presentation-may-18.pdf (alternately, scan the adjacent QR code using a mobile device to read the file on the Company website).

3. DIVIDEND

Based on the Company's performance, the Directors of your Company recommend a dividend of 130% (₹ 1.30 per share of ₹ 1 each), subject to the approval of the Members.

According to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the top 500 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Accordingly, the Dividend Policy of the Company is provided in Annexure-I.

The Dividend Policy of the Company can be accessed using the following link: *https://www.tatapower.com/aboutus/dividend-policy.pdf* (alternately, scan the adjacent QR code using a mobile device to read the policy on the Company website).

4. CURRENT BUSINESS

Your Company is present across the value chain of power business viz. Generation, Transmission, Distribution, Power Trading, Power Services, Coal Mines and Logistics, Solar Photovoltaic (PV) manufacturing and associated Engineering, Procurement & Construction (EPC) services.

As on 31st March 2018, the Tata Power group of companies had an operational generation capacity of 10,757 MW from various fuel sources - thermal (coal, gas and oil), hydroelectric, renewable energy (wind and solar PV) and waste heat recovery, details of which are given below in Table 2.

Currently, the Company (including its subsidiaries) has nearly 32% of its capacity (in MW terms) in clean and green generation sources (hydro, wind, solar and waste heat recovery). The Company is targeting 40-50% of its total generation capacity from non-fossil fuel based generation sources by 2025.

Details of generation businesses in operation *(Table 2)*

Fuel Source	State	Location	Normative Capacity (MW)	Returns / Earnings Model	Category Total (MW)
Thermal – Coal / Oil / Gas	Gujarat	Mundra	4,150	Long term PPA based on UMPP Bid	7,340
	Maharashtra	Trombay	1,430	Extension of Long term PPA - regulated Return on Equity	
	Jharkhand	Maithon	1,050	Long term PPA - regulated Return on Equity	
	Jharkhand	Jojobera	428	Long term PPA - regulated Return on Equity and negotiated PPA for Captive Arrangement	
	Jharkhand	IEL – Jojobera	120	Bilaterally negotiated long term PPA	
	Indonesia	PT Citra Kusuma Perdana	54	Captive arrangement	
	New Delhi	TPDDL – Rithala (Gas based)	108	PPA is being pursued	
Thermal – Waste Heat Recovery	Jharkhand	IEL – Jamshedpur	120	Bilaterally negotiated long term PPA	375
	Odisha	IEL – Kalinganagar	135	Bilaterally negotiated long term PPA	
	West Bengal	Haldia	120	Merchant sale (100 MW) and bilateral sale to West Bengal (20 MW)	
Hydro	Maharashtra	Bhira	300	Long term PPA - regulated Return on Equity	693
	Maharashtra	Khopoli	72		
	Maharashtra	Bhivpuri	75		
	Bhutan	Dagachhu	126	Merchant	
	Zambia	ItezhiTezhi	120	Long term regulated return	
Renewables	Maharashtra, Gujarat, Madhya Pradesh, Karnataka, Tamil Nadu, Rajasthan, Andhra Pradesh, and South Africa	Wind farms	1161	Long Term PPA based on Feed-in-tariff + REC Mechanism	2,349

Fuel Source	State	Location	Normative Capacity (MW)	Returns / Earnings Model	Category Total (MW)
Renewables	Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh	Solar Photovoltaic (PV)	1188	Long Term PPA based on Feed-in-tariff	2,349
Total					10,757

Details of other businesses

(Table 3)

Business	Company/Entity/Parent Company	Returns/Earnings Model	Key details
Transmission	Tata Power (TPC - T), Mumbai	25 year license w.e.f August 2015 - regulated Return on Equity	Over 1188 Ckms. of transmission lines, connecting generating stations to 21 receiving stations.
	Powerlinks Transmission Limited (PTL)	Regulated Return on Equity	2328 Ckms. of 400 kV transmission lines to evacuate power from Eastern/North Eastern region to Northern Region.
Distribution	Tata Power (TPC - D), Mumbai	25 year license w.e.f August 2015- Regulated Return on Equity	Over 4500 Ckms. of distribution network. Around 6.80 lakh consumers.
	Tata Power Delhi Distribution Limited (TPDDL)	Regulated Return on Equity	Approximately 15,081 Ckms. of distribution lines. Over 16.5 lakh consumers.
	Tata Power Ajmer Distribution Limited (TPADL)	Distribution Franchise model	Over 2,130 Ckms. of network length. Around 1.34 lakh consumers.
Coal Investments	Coal and Infrastructure, Indonesia	Returns based on dynamics in International thermal coal market	Stake in Indonesian mines.
Solar PV manufacturing, EPC	Tata Power Solar Systems Limited (TPSSL)	Returns based on sector dynamics and market competition	Manufacturing and sale of solar PV cells and modules and EPC services.
Power Trading	Tata Power Trading Company Limited (TPTCL)	Returns based on market dynamics in short term and bilateral power market subject to cap prescribed by CERC	Category I power trading license, which permits the company to trade any quantum of power.
Shipping	Trust Energy Resources Pte Limited, Singapore (TERPL)	Returns based on long term charters	Vessels operated are of cape size.
Power Services	Tata Power	Returns based on sector dynamics and market competition	A leading service providers of project management, O&M and specialized services in the power sector.

Percentage contribution of different business models (excludes under construction) *(Table 4)*

Model	Capacity (MW)	% of overall capacity	Returns	Bussiness/Division
Fixed Return on Equity	3724	34.7	1) Regulated Return on Equity 2) Bilateral captive agreement 3) PPA Driven	1) Mumbai Operations (Trombay & Hydro), Maithon, Jojobera Unit #2 and #3, TPDDL Rithala 2) IEL (Unit 5, PH6, KPO), CKP (Indonesia) 3) Haldia (20 MW)
Fixed Tariff (Renewables)	2349	21.8	Feed-in-tariff + Bid Driven	Wind and Solar projects
Fixed Tariff (Conventional Generation)	4458	41.4	Bilateral agreement + Bid Driven	Jojobera Unit#1 and #4, CGPL, ITPC (Zambia)
Merchant	226	2.1	Market driven	Haldia (100 MW) Dagachhu (126 MW)

4.1. SALE OF STRATEGIC ENGINEERING DIVISION (SED)

The Board has decided to sell its Defence business, Strategic Engineering Division (SED), to Tata Advanced Systems Limited, a wholly owned subsidiary of Tata Sons Limited at an enterprise value of ₹ 2,230 crore. SED engaged in the business of indigenous design, development, production, integration, supply and life cycle support of mission critical defence systems. This will be subject to National Company Law Tribunal (NCLT), Ministry of Defence, Competition Commission of India and shareholders approval. This business is not a core activity for your Company and it needs a different type of risk appetite and support to grow to its potential.

The transaction is proposed to be executed on a slump sale basis. The valuation of the business has been carried out by independent valuers appointed by the Company. Further, a fairness opinion on valuation has been taken from a Category-1 Merchant Banker. The business value is mainly derived from future projections and orders, hence, the valuation has been structured into upfront payment and earn outs. The upfront payment has been agreed at an enterprise value of ₹ 1,040 crore, whereas the earn-out payment of ₹ 1,190 crore is subject to receipt of six identified orders spread over the next 6 years. The upfront value will be adjusted for working capital changes and any profits or losses accrued till the time of closing.

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

As on 31st March 2018, the Company had 50 subsidiaries (40 are wholly-owned subsidiaries), 37 Joint Ventures (JVs) and 8 Associates. Of the erstwhile subsidiaries, 3 companies have been classified as Joint Ventures under Indian Accounting Standards (Ind AS) and 1 of the investments has been classified as Associate.

During the year, the following changes occurred in your Company's holding structure:

- Subsidiaries: Chemical Terminal Trombay Limited, an erstwhile subsidiary of the Company merged with the Company during the year. The Company incorporated Tata Power Ajmer Distribution Limited and Far Eastern Natural Resources LLC.
- There was no change in the holding structure of Joint Ventures and Associates during the year.

A report on the performance and financial position of each of the subsidiaries, JVs and Associates has been provided in Form AOC-1.

The policy for determining material subsidiaries of the Company can be accessed using the following link: *https://www.tatapower.com/pdf/aboutus/policy-for-determining-material-subsidiaries.pdf* (alternately, scan the adjacent QR code using a mobile device to read the policy on the Company website).

6. RESERVES

The balance in the various reserves of the Company for FY18 and the previous year are as follows:

Figures in ₹ crore *(Table 5)*

Particulars – Standalone	As at 31st March, 2018	As at 31st March, 2017
Capital Redemption Reserve	1.85	1.85
Capital Reserve	61.66	61.66
Securities Premium Account	5,634.98	5,634.98
Debenture Redemption Reserve	1,000.61	1,000.90
General Reserve	3,853.98	3,853.98
Retained Earnings	1,878.99	5,361.42
Investment Revaluation Reserve	(374.12)	(2 53.40)
Statutory Reserve	660.08	660.08

7. FOREIGN EXCHANGE - EARNINGS AND OUTGO

Figures in ₹ crore *(Table 6)*

Particulars – Standalone	FY18	FY17
Foreign Exchange Earnings	398	340
Foreign Exchange Outflow mainly on account of:	1,273	1,263
• Fuel purchase	1,087	971
• Interest on foreign currency borrowings, NRI dividends	24	42
• Purchase of capital equipment, components and spares and other miscellaneous expenses	162	250

8. REGULATORY AND LEGAL MATTERS

The businesses of the Company are governed primarily by the Electricity Act, 2003 (EA, 2003) and associated regulations. Mentioned below are the critical regulatory orders pertaining to the Company that were issued during FY18, none of which impact the 'going concern' status of your Company.

8.1. MUNDRA UMPP

8.1.1. COMPENSATORY TARIFF/FORCE MAJEURE RELIEF

CGPL - Mundra UMPP approached the Central Electricity Regulatory Commission (CERC) for evolving a mechanism for compensating CGPL for the adverse impact of the uncontrollable and unprecedented escalation in the imported coal prices and the change in law in Indonesia (Indonesian Government's decision to benchmark export coal prices against international prices. The CERC, after considering the recommendations of a committee appointed for the aforesaid purpose vide its order dated 21st February 2014, decided that CGPL was entitled to compensatory tariff from 1st April 2012 over and above the tariff agreed under the PPA with the Procurers, till the hardship on account of Indonesian regulations persisted.

The Procurers challenged the order and filed an appeal with the Appellate Tribunal for Electricity (APTEL) which passed an interim order dated 21st July 2014, directing the Procurers to pay a compensatory tariff from March 2014 onwards, although it stayed the compensation for the prior period, till disposal of the appeal filed before it. On appeal by the Procurers, the interim order of APTEL was set aside by the Supreme Court and APTEL was directed to hear and dispose of the appeals expeditiously.

On 7th April 2016, APTEL, while rejecting the grounds of change in law and use of regulatory powers, remanded the matter to CERC to assess the compensation on grounds of Force Majeure (FM) as permissible under the PPA.

The Procurers, including a consumer group, filed a Civil Appeal before the Supreme Court challenging the FM relief provided as per APTEL's judgement. The Supreme Court directed that CERC may pass the order on FM relief, but it was to be given effect only with the prior permission of the Supreme Court. Based on the remand by APTEL, the matter was heard by CERC and order passed on 6th December 2016, prescribing the FM relief mechanism.

Subsequently, the civil appeals filed by Procurers and consumer groups were heard before the Supreme Court. The Supreme Court, vide judgement dated 11th April 2017, disposed of the appeal with regard to compensatory tariff, *inter alia* holding that:

a) CGPL's case does not fall under the Force Majeure clause in the PPA

b) The Change in Law as defined under PPA contemplates only change in domestic (Indian) laws

The Supreme Court has, however, upheld that the CERC has powers under Section 79(1)(b) of EA, 2003 to regulate, which includes power to determine or adopt tariff even for tariff that is determined under competitive bidding route (Section 63 of EA, 2003). While the Supreme Court held that the Regulatory Commission has the powers under Section 79 of EA, 2003, the judgement did not specifically validate the applicability of said principle to the relief that had been granted by CERC to CGPL earlier.

The Company has been operating and maintaining the 4,150 MW Mundra Ultra Mega Power Station which is operating at benchmark operational parameters and making a significant contribution in ensuring the energy security of the country. While the Company continues to make efforts to seek additional tariff and is engaged with various stakeholders including the Central Government, Procurers and the Lenders, it is pursuing all alternative options at CGPL including sourcing of competitive coal from other relevant geographies as also use low grade and blended coal options to contain the under-recovery at Mundra UMPP. However, with ever-increasing international coal prices, the project is becoming increasingly unviable. A large part of the investment made in the project is also being considered for provisioning in the accounts.

Your Company is exploring all options for the long term sustainability of the power station and to structure the investment in a manner that it earns a reasonable return.

8.1.2. CHANGE IN LAW

CGPL has filed petitions under Change in Law – Operations and Change in Law – Construction before the APTEL against certain disallowances given by the CERC.

Additionally, the CERC passed an order on 14th March 2018 allowing Compensation Cess on actual coal consumed based on Auditors Certificates. Any refund arising due to subsuming of other taxes in GST would need to be settled mutually between the Generators and its Procurers.

8.1.3. PETITION SEEKING IN-PRINCIPLE APPROVAL FOR CAPEX AND OPEX TO COMPLY WITH NEW ENVIRONMENT NORMS

The Ministry of Environment, Forest and Climate Change (MoEF&CC), vide its notification, has revised the environment emissions norms mandating all thermal power plants to comply with the same. Your Company had filed a petition with CERC seeking in-principle approval for the capital expenditure in order to secure finance from the financial institutions so as to comply with the new norms. The matter was heard before CERC to decide whether the above MoEF&CC notification falls under the Change in Law as per the PPA. However, final directions from CERC are awaited.

8.2. MUMBAI OPERATIONS

8.2.1. MULTI YEAR TARIFF (MYT) ORDERS OF MERC

MERC passed its MYT order for the generation business on 8th August 2016, for the transmission business on 30th June 2016 and for the distribution business on 21st October 2016. In FY18, review petitions, as relevant, against these orders, have been filed at the appropriate forums.

8.2.2. NETWORK ROLL-OUT PLAN

The Petition has been disposed of by MERC on 12th June 2017 providing *inter alia*, criteria and various possible scenarios for providing consumer connections, establishing an institutional mechanism for evaluating and deciding on applications for new connections forwarded by the Distribution Licensees, as also prescribing the protocol for releasing connections to new consumers etc. The said order has been challenged before APTEL by your Company as well as by other Mumbai Discoms and a consumer body. The final hearing on these appeals has been completed and orders are reserved.

8.2.3. TPC-D'S RIGHT TO LAY NETWORK AND ACQUIRE CUSTOMERS

MERC in its order, in the case filed by BEST, ruled in favour of Tata Power Company-Distribution (TPC-D), that it can lay its distribution network in line with the APTEL Judgement in Appeal No. 246 of 2012 and also in line with MERC's interim order dated 9th November 2015 in case no. 182 of 2014.

MERC in its order dated 24th January 2018, rejected the claim of RInfra-D against TPC-D contravening the decision and the directions of the Commission issued in the interim order dated 9th November 2015, in Case No. 182 of 2014 relating to TPC-D's right to acquire new or switchover consumers by laying its own network in terms of the APTEL judgement and MERC's interim order .

8.2.4. DISTRIBUTION LICENSES - APPEAL FILED BY R-INFRA AND BEST

The appeal filed by R-Infra challenging the distribution license granted to TPC-D in August 2014 is pending before APTEL. Further, appeals filed by R-Infra and BEST against the interim order dated 9th November 2016, passed by MERC, are also pending before APTEL. Proceedings in the matter are completed and the order is reserved.

8.2.5. STANDBY CHARGES

On an appeal filed by your Company, the Supreme Court had stayed the operation of the APTEL order in 2007, subject to the condition that your Company deposits an amount of ₹ 227 crore and submits a bank guarantee for an equal amount. Your Company has complied with both the conditions. R-Infra has also subsequently filed an appeal before the Supreme Court challenging the APTEL order. Both the appeals were admitted in 2007. The matter was part heard during this year and the hearings are yet to be completed.

8.2.6. ENERGY CHARGES AND 'TAKE OR PAY' OBLIGATION

In a case relating to Take or Pay obligation payable to the Company, the Supreme Court, vide its order dated 14th December 2009, has granted a stay against the APTEL order and has directed R-Infra to deposit with the Supreme Court a sum of ₹ 25 crore and furnish a bank guarantee for the balance amount. No hearings were held during the year on this matter.

8.2.7. ENTRY TAX

Your Company had filed a writ in the Bombay High Court (HC) challenging the constitutional validity of the Maharashtra Entry Tax Act, 2002. HC dismissed the writ petition. Aggrieved, your Company filed Special Leave Petitions (SLP) in the Supreme Court. Vide its order dated 21st October 2016, the Supreme Court passed the order staying the demand of entry tax, by extending the interim stay earlier granted by the High Court. Your Company has filed a writ petition in the Supreme Court, on which the Supreme Court issued a notice and tagged it along with the Company's SLP. The matter is now awaited for listing for final hearing and disposal.

8.2.8. EXTENSION OF PPA BETWEEN TPC-G AND BEST

BEST and Tata Power Company-Generation (TPC-G) had entered into a PPA dated 21st December 2006 for bulk supply of power. The said agreement was extended from time to time by the parties with due approval of MERC. The term of the existing PPA expired on 31st March 2018.

BEST undertook a competitive bidding process for procurement of 750 MW power for 5 years starting 1st April 2018. However, after completion of the bidding process, BEST filed a petition before MERC seeking cancellation of the bidding process undertaken, approval of timelines for undertaking a fresh competitive bidding process for 5 years starting from 1st April 2019 and the extension of the existing PPA between BEST and TPC-G in terms of Clause 3.3 of the existing PPA.

MERC, vide its order dated 27th February 2018, has approved extension of the validity of the PPA between BEST and TPC-G for 676 MW of power (excluding Unit 6) along with certain other directions to be incorporated in the existing PPA as extended up to 31st March 2019.

8.2.9. EXTENSION OF PPA BETWEEN TPC-G AND TPC-D

TPC-D and TPC-G had entered into PPA dated 23rd December 2006 for bulk supply of power. The said agreement was extended from time to time by the parties with due approval of MERC. The term of the existing PPA was to expire on 31st March 2018.

MERC vide its order dated 27th March 2018, approved the extension of Power Purchase Arrangement between TPC-G and TPC-D for one year from 1st April 2018 to 31st March 2019 for a total capacity of 672 MW.

8.3. JOJOBERA OPERATIONS

8.3.1. MYT ORDER FOR JOJOBERA UNIT 2 AND UNIT 3 INCLUDING TRUE-UP FOR FY 2015-16

On 19th February 2018, JSERC has passed the MYT Order for Jojobera Unit 2 and Unit 3 for the control period FY17-21 together with true-up for FY16.

With respect to the tariff order for the control period FY17-21, a review has been sought from JSERC on a deviation taken on an operating norm. With respect to truing-up for FY16, your Company has taken up review of some claims which have been disallowed before JSERC and appealed at APTEL.

8.4. MAITHON POWER LIMITED (MPL)

8.4.1. REVIEW/APPEAL FILED AGAINST DISALLOWANCES BY CERC FOR TRUING-UP OF TARIFF FOR FY12-14 AND DETERMINATION OF TARIFF FOR FY15-19

MPL had filed a petition for determination of tariff for the period FY15-19 along with the truing-up for FY12-14 on 1st June 2015, before CERC. The proceedings in the above matter had been completed in December 2016 and the order was issued on 26th December 2017. MPL filed a review petition before CERC and appeal before APTEL against the disallowances in the tariff order dated 26th December 2017.

8.4.2. PETITION SEEKING IN-PRINCIPLE APPROVAL FOR CAPEX SCHEMES FOR MEETING NEW ENVIRONMENT NORMS

MPL has approached CEA and MoEF&CC as per directions of CERC, to decide the optimum technology and associated costs, for phasing of implementation of different environment measures in compliance with new environmental norms. It will then approach CERC based on the approval of CEA and direction of MoEF&CC.

8.5. POWERLINKS TRANSMISSION LIMITED (PTL)

8.5.1. TRUING-UP FOR FY10-FY14 AND MULTI YEAR TARIFF FOR FY14-19

Subsequent to the true-up order for FY10-14, CERC directed its staff to examine the impact of Transmission Majoration Factor (TMF) to review the continuation of TMF for subsequent years.

CERC, thereafter, notified a draft amendment to CERC Tariff Regulations, 2014 abolishing the continuation of TMF for PTL. Powerlinks, objecting to such amendment, has filed detailed comments and presented the same before CERC during the public hearing held for the issue. CERC has not issued the final regulations in this regard yet.

9. RISKS AND CONCERNS

Your Company is faced with risks of different types, all of which need different approaches for mitigation. Details of various risks faced by the Company are provided in section 4 of MD&A of this Annual Report.

10. RISK MANAGEMENT FRAMEWORK AND INTERNAL FINANCIAL CONTROLS

Risk Management Framework:

Based on the Risk Management Policy *(https://www.tatapower.com/pdf/aboutus/risk-management-policy.pdf)* (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website), a standardized Risk Management Process and System has been implemented across the Tata Power group. Risk plans have been framed for all identified risks and uploaded in the system with mitigation action, target dates and responsibility. The Risk Register contains the mitigation plans. Functional Risk Management Committees (FRMCs) closely monitor and review the risk plans.

The Apex Risk Management Committee (ARMC) meets every quarter to review key strategic and tactical risks, identify new risks and assess the status of mitigation measures. As per the Listing Regulations, a Risk Management Committee (RMC) was constituted which currently comprises of three Independent Directors, one Non-Executive Director and one Executive Director. The RMC meets regularly to review critical strategic risks.

In FY16 and FY17, the British Standards Institution (BSI) did an assessment of Tata Power and its eight major subsidiaries and conferred the 'Statement of Compliance' for Tata Power Group for ISO 31000:2009. Tata Power was the first power company in India to get this recognition in FY15. This year, Tata Power Group's external ISO assessment is scheduled for July 2018.

Tata Power bagged two prestigious awards at the CRO Leadership Summit and awards conducted by UBS Transformance in November 2017. The Company won the 'Risk Management Team of the Year, 2017', and Tata Power's Chief Risk Officer, Mr. Parshuram Date, was awarded 'CRO of the Year, 2017' in the power sector. In January 2018, Tata Power was pronounced as the joint winner in the category – 'Best Risk Management Framework & Systems – Power', at the 4th Edition of CNBC-TV18 The India Risk Management Awards. Also, this year, Tata Power has obtained a copyright for its web-based Risk Management System.

Internal Financial Controls and Systems:

The Company has its internal audit function reviews and ensures sustained effectiveness of Internal Financial Controls (IFC) by adopting a systematic approach to its work.

To fulfil the requirements of the Companies Act, 2013 the in-house internal audit team integrated IFC controls into risk control matrix (RCMs) of enterprise processes in FY17. 100% testing of IFC controls was ensured during process audit or creating separate audit areas of IFC testing where process audits were not due.

On review of the internal audit observations and action taken on audit observations, we can state that there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon.

The Company continued the Control Self-Assessment (CSA) process, which included seven Tata Power group companies this year, whereby responses of all process owners are used to assess internal controls in each process. This helps the Company to identify focus audit areas, design the audit plan and support CEO/CFO certifications for internal controls.

11. SAFETY

Safety is a core value of the Company. The Company has adopted a structured approach towards implementation of Safety Policies and Programs to integrate safety with critical business processes with a goal to continuously improve safety performance. Safety organisation has been established for developing and implementing Safety Management Systems and to facilitate a change in culture through leadership interventions to mitigate risks.

Safety Statistics FY18: *(Table 7)*

Sl. No.	Safety Parameters in your Company's work jurisdiction (Tata Power, CGPL, MPL, IEL, CTTL, PTL, TPDDL and TPSSL)	FY18	FY17
1	Fatality (Number)	1	2
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.17	0.23
3	Total Injury Frequency Rate (No of injuries per million man hours)	2.26	4.32
4	First Aid Cases (Number)	105	232

Your Company is deeply aggrieved by the fatality and accidents. It treats any fatality in any of its premises, of any of its employees, contractor/associate employees or any third party, with equal gravitas and is committed to taking the entire working environment and behaviour to the highest safety standards.

Your Company has increased its efforts on safety during the year and has adopted the following safety interventions in FY18 to improve safety in the organisation:

- Collaborative Leadership Coaching Program was conducted for identified leaders.
- Safety Code of Conduct (SCoC) was framed and signed off by all employees.
- Integrated safety Key Responsibility Area (KRA) was included in Performance Management System (PMS).
- Enhanced capability building through competency-based training programs at Tata Power Skill Development Institute (TPSDI).
- Implemented the contractors' safety code of conduct to improve capability and capacity of contractors and evaluated their safety performance for all the stages of contract (registration, bidding and execution).
- Stakeholder 'Suraksha' application developed for empowering the business associates to report incidents/observations.

12. SUSTAINABILITY

Your Company successfully completed over 100 years of operations and remains committed to the legacy of being a responsible corporate citizen. It has practised sustainability over these 100 years and thus, reinforced the core value of Leadership with Care. For your Company, sustainability is care for the environment, care for the customers and shareholders, care for the community and care for our people.

The Company's efforts on sustainability were recognized at various platforms and a testimony to this was the various awards bestowed upon your Company. The Company has received the domain excellence award in biodiversity conservation at the CII ITC Sustainability Awards 2017. Your Company was also ranked 3rd in the Responsible Business Ranking for Sustainability and CSR released in September 2017.

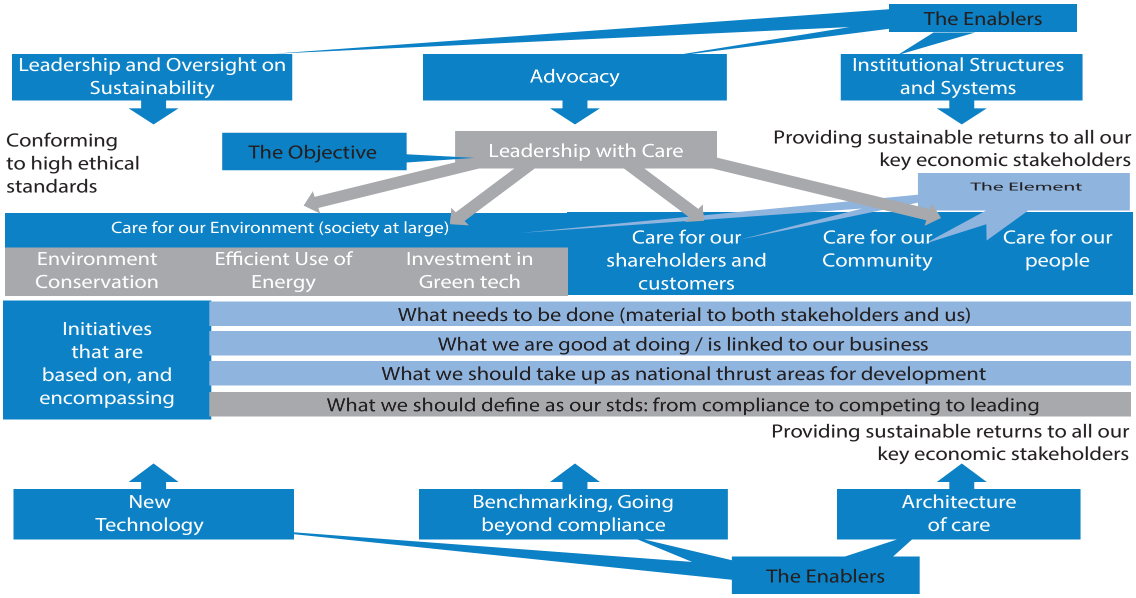

Fig 1 - Tata Power Sustainability Model

12.1. CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

Your Company has actively worked on the key focus areas in Corporate Social Responsibility (CSR) covering education, health & sanitation, water, livelihood and employability, social capital and financial inclusivity, as well as rural energy while focusing on Affirmative Action (AA) initiatives of the Tata Group.

Your Company has a unique governance system for Sustainability as a strategic theme. This is guided by the Sustainability Advisory Council (SAC) comprising eminent experts from various fields impacting sustainability.

Tata Power's CSR initiatives were extended to the geographies where the new solar and wind plants are located.

Your Company's standalone CSR spend for FY18 stood at ₹ 14.71 crore against the Companies Act, 2013 requirement of ₹ 13.71 crore. Additionally, as a part of disaster relief operations, the Company contributed towards relief efforts in Gujarat.

Independent monitoring, effectiveness of implementation and impact assessment were undertaken to provide feedback and to refine, realign the programs so that the extent and effectiveness of the initiatives could be improved in pursuance of the Company's objective to improve the quality of life of the community and to get the community's tacit or implied acceptance of the Company's co-existence with them.

Details of the CSR activities of your Company and its key subsidiaries are listed in the MD&A section of this annual report.

The annual report on CSR activities is provided in Annexure-II.

12.2. AFFIRMATIVE ACTION

Under its Affirmative Action (AA) program, your Company has implemented several initiatives for Employment, Entrepreneurship, Employability, Education and Essential Amenities for the communities around its operating sites.

The major programs carried out in the neighbourhood of the operating plants and projects are Skill Development

Programs (through TPSDI, Industrial Training Institutes and Vocational Trainings), entrepreneurships programs like Maval dairy, sustainable agriculture and supporting Self Help Groups (SHG), and support for educational initiatives like e learning, educational aid and learning camps.

The Company continued its work in areas beyond its areas of operations, such as in Jawahar taluka, Palghar district of Maharashtra, which has a tribal population which constitutes over 90% of the total population with a vast majority being below the poverty line. The activities here include initiatives like generating livelihood opportunities to improve sub-economic status, integrated watershed management program, capacity building through a participatory approach, women's empowerment through SHGs and a Village Development Council (VDC) for sustainable development. The VDC has elected members from the village, as well as a Tata Power representative and is responsible for the sustainable development of the village.

12.3. CARE FOR OUR ENVIRONMENT

The Company, during the year under review, addressed various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, biodiversity and green buildings. Details of initiatives undertaken are given in MD&A Section 8.1.3.

12.4. CLUB ENERJI

Tata Power's Club Enerji is focused on school students to champion the noble cause of conservation of resources and enhance moral and civic values. The Club has been ceaselessly working towards creating responsible citizens of tomorrow who focus not only on conserving energy and natural resources (like fossil fuel - coal, oil, gas, water; managing waste; afforestation), but also conserve civic, ethical and moral values in society at large.

Recognizing the immense value that schools and school children can bring to the initiative and taking due consideration of the social need, Tata Power started 'Tata Power Club Enerji' in 2007 to propagate efficient usage of energy and to educate the society on climate change issues. The program is now in its 10th year and has covered more than 500 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur, Lonavala and five more cities. It has reached out to more than 1.93 crore citizens, collectively saved 25 million units of electricity - equivalent to saving 25,000 tons of CO2. All over India, 2,00 Mini Clubs have also been formed under the Club Enerji initiative.

Tata Power Club Enerji also launched its comprehensive online module in November 2015 with an aim to reach out to a larger audience with a vision of transformation and adoption of a holistic and robust approach towards conservation. The module, since its launch, has also reached out to audiences in new international geographies like Philippines, UAE, USA, UK and South Africa and newer national geographies like Chandigarh, Hyderabad and Chennai.

12.5. DEMAND SIDE MANAGEMENT

The Company has been a pioneer in propagating energy conservation and efficiency. Demand-side management (DSM) refers to cooperative activities between the utility and its customers to implement options for increasing the efficiency of energy utilization, with resulting benefits to the customer, utility and the society.

12.6. SUSTAINABILITY REPORTING

Your Company has adopted the latest Global Reporting Initiative (GRI) Standards for its combined Sustainability Report for FY16-18, which is currently under preparation, to report on its sustainability performance specific to the Indian operations of your Company viz. generation, transmission and distribution. The Company's Sustainability Reports can be accessed using the following link: *https://www.tatapower.com/sustainability/communication.aspx (alternately, scan the adjacent QR code using a mobile device to read the policy on the Company website)*

12.7. BUSINESS RESPONSIBILITY REPORT (BRR)

The Business Responsibility Reporting is in line with the SEBI requirement based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' notified by Ministry of Corporate Affairs (MCA), Government of India, in July 2011. Your Company reported its performance for FY18 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Board composition

Pursuant to the Guidelines adopted by the Company for retirement of Non-Executive Directors, Dr. Homiar S. Vachha, Independent Director on your Company's Board, ceased to be Director of the Company effective 23rd April 2017, consequent upon his completing 75 years of age. The Board of Directors place on record their deep appreciation for the contribution made by Dr. Vachha during his tenure.

On the recommendation of the Nomination and Remuneration Committee (NRC), Mr. K. M. Chandrasekhar was appointed as an Additional Director of the Company with effect from 4th May 2017 by the Board of Directors, in accordance with Section 161(1) of the Act and Article 132 of the Company's Articles of Association. Mr. Chandrasekhar was also appointed as an Independent Director for a period of 5 years with effect from 4th May 2017 upto 3rd May 2022. His appointment as Independent Director was approved at the previous Annual General Meeting (AGM) by the Members.

Mr. Pravin H. Kutumbe, nominee of Life Insurance Corporation of India (LIC) on the Company's Board, resigned as a Director of your Company effective 20th May 2017. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr. Kutumbe during his tenure. Mr. Hemant Bhargava, Managing Director of LIC, was then nominated by LIC as Director on the Board. Mr. Bhargava was appointed as an Additional Director of the Company with effect from 24th August 2017, by the Board of Directors, on the recommendation of the NRC, in accordance with Section 161(1) of the Act and Article 132 of the Company's Articles of Association. Mr. Bhargava holds office only upto the date of the forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose his appointment as a Director.

Mr. S. Padmanabhan and Ms. Sandhya S. Kudtarkar, Non-Executive Directors on your Company's Board, resigned from the Board on 16th November 2017. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr. Padmanabhan and Ms. Kudtarkar during their respective tenures.

Mr. Saurabh Agrawal and Mr. Banmali Agrawala were appointed as Additional Directors of the Company with effect from 17th November 2017, by the Board of Directors, on the recommendation of the NRC, in accordance with Section 161(1) of the Act and Article 132 of the Company's Articles of Association. Mr. Agrawal and Mr. Agrawala hold office only upto the date of the forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose their appointment as Directors.

Mr. Anil Sardana resigned as CEO & Managing Director of the Company effective close of business hours on 30th April 2018. The Board has placed on record its deep sense of appreciation of the valuable contribution made by Mr. Sardana to the operations and growth of the Company during his tenure.

On the recommendation of the NRC, Mr. Praveer Sinha was appointed as Additional Director of the Company with effect from 1st May 2018, by the Board of Directors, in accordance with Section 161(1) of the Act and Article 132 of the Company's Articles of Association. Mr. Sinha holds office only upto the date of the forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Sinha's appointment as Director. Mr. Sinha was also appointed as CEO & Managing Director of the Company for the period of 5 years commencing from 1st May 2018 to 30th April 2023. His appointment and the terms and conditions of his appointment including remuneration payable to him, require approval of the Members at the ensuing AGM.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. N. Chandrasekaran retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

Number of Board Meetings

Nine Board Meetings were held during the year. For further details, please refer to Report on Corporate Governance, which forms a part of this Annual Report.

Independent Directors

In terms of Section 149 of the Act, Mr. N. H. Mirza, Mr. D. M. Satwalekar, Ms. Anjali Bansal, Ms. Vibha Padalkar, Mr. S. V. Bhandarkar and Mr. K. M. Chandrasekhar are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

Key Managerial Personnel

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Praveer Sinha, CEO and Managing Director
- Mr. Ashok S. Sethi, COO and Executive Director
- Mr. Ramesh N. Subramanyam, Chief Financial Officer
- Mr. Hanoz M. Mistry, Company Secretary

14. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees, pursuant to the provisions of the Act, Regulation 25 of the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI on 5th January 2017.

The following process was adopted for Board evaluation:

i) Feedback was sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.

ii) The Nomination and Remuneration Committee (NRC) then discussed the above feedback received from all the Directors.

iii) Based on the inputs received, the Chairman of the NRC also apprised the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman was also reviewed by them.

iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) was discussed by the Chairman of the NRC with the Chairman of the Board. It was also presented to the Board and a plan for improvement was agreed upon and is being pursued.

v) Every statutorily mandated Committee of the Board conducted a self-assessment of its performance and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

vi) Feedback was provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the Board and action plans drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

15. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes, which is provided in Annexure-III to this Report and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure-IV to this Report.

16. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report.

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same can be accessed using the following link: *https://www.tatapower.com/pdf/aboutus/Code-of-Conduct-NEDs.pdf. (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website)*. All Senior Management personnel have affirmed compliance with the Tata Code of Conduct (TCOC). The CEO & Managing Director has also confirmed and certified the same. The certification is enclosed at the end of the Report on Corporate Governance.

17. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as Annexure - V to this Report.

18. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - VI.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first provision to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure are related to any Director of the Company.

Officers of the organisation are classified into five management work levels i.e. MA, MB, MC, MD and ME. The work levels are further divided into grades. Non-management employees are across different grades and also have been classified as unskilled, semi-skilled, skilled and highly skilled.

For the officers, Uniform Compensation Structuring (UCS) exercise was undertaken in FY18 to promote talent mobility in the organisation. This will help in ensuring seamless mobility of talent with minimal or no change in CTC across the Tata Power Group. UCS provided an integrated, aligned and uniform view of talent across entities leading to more avenues for growth to available talent across entities. The entire implementation process was done in-house by the HR team in the defined time span.

19. RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link:

https://www.tatapower.com/pdf/aboutus/rpt-policy-framework-guidelines.pdf (alternately, scan the adjacent QR code using a mobile device to read the policy on the Company website). Details of Related Party Transactions as per AOC-2 are provided in Annexure-VII to this Report.

20. DEPOSITS

(Table 8)

Sl. No.	Particulars	Amount in ₹
1.	Accepted during the year	Nil
2.	Remained unpaid or unclaimed at the end of the year*	2,58,105
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	NA
	▪ At the beginning of the year	
	▪ Maximum during the year	
	▪ At the end of the year	
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	NA

**This relates to deposits accepted under the Companies Act, 1956.*

21. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. The details of investments are provided in the notes to the financial statements.

22. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure-VIII to this Report.

23. AUDITORS

M/s S R B C & CO. LLP (SRBC), who is the statutory auditor of your Company, holds office until the conclusion of the hundred and third AGM to be held in the year 2022, subject to ratification of its appointment at every AGM, if required under law.

Members will also be requested to pass a resolution (vide Item No.12 of the Notice) authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad.

24. AUDITORS' REPORT

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under section 133 of the Companies Act, 2013.

25. COST AUDITOR AND COST AUDIT REPORT

M/s Sanjay Gupta and Associates, Cost Accountants, were appointed Cost Auditors of your Company for FY18.

In accordance with the requirement of the Central Government and pursuant to Section 148 of the Act, your Company carries out an annual audit of cost accounts relating to electricity. The Cost Audit Report and the Compliance Report of your Company for FY17, was filed on 8th September 2017 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s Sanjay Gupta and Associates, Cost Accountants, before the due date of 30th September 2017.

26. SECRETARIAL AUDIT REPORT

M/s. Parikh & Associates, Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY18. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers. The Secretarial Audit Report is provided in Annexure-IX.

The Company confirms compliance with the requirements of Secretarial Standards 1 and 2.

27. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations and relevant sections of the Act, a Management Discussion and Analysis Statement, Report on Corporate Governance and Auditors' Certificate thereon are included in the Annual Report.

28. VIGIL MECHANISM

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct (TCOC), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company for redressal.

29. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants including audit of IFC for financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's IFC were adequate and effective during FY18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively (refer section 10);

f) the Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

30. ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors - both international and domestic, bankers, financial institutions and academic institutions for all the support rendered during the year.

The Directors are thankful to the Government of India, the various ministries of the state governments, the central and state electricity regulatory authorities, communities in the neighbourhood of our operations, municipal authorities of Mumbai, and local authorities in areas where we are operational in India; as also partners, governments and stakeholders in international geographies where the Company operates, for all the support rendered during the year.

Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 2nd May 2018

ANNEXURE – I : DIVIDEND POLICY

(Ref.: Board's Report, Section 3)

1. Context:

1.1 In July 2016, SEBI has inserted Regulation 43A with respect to Dividend Distribution Policy in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby the top 500 listed entities based on market capitalization (calculated as on 31st March of every financial year) are required to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites and the dividend distribution policy shall also include certain stated parameters. Tata Power being one of the top 500 companies needs to frame such policy as per the SEBI regulations.

2. Background:

2.1 The Company's overarching objective is to strike the right balance between adequately rewarding shareholders through dividend and providing enough funds to drive future growth both organic and inorganic to maximize long term sustainable shareholder value.

2.2 In order to be compliant with various statutes, the Company has to appropriate the following out of PAT earned each financial year:

- Transfer to Debenture Redemption Reserves as per guidelines stated in Companies Act.
- Transfer to Contingencies Reserve as per Electricity Act.
- Servicing of Unsecured Perpetual Securities.
- Transfer to General Reserves.
- Dividend Distribution to shareholders including dividend distribution tax.
- Any adjustments to Other Comprehensive Income (OCI) as per Ind AS guidelines.

2.3 Each financial year end, the Company management viz. the CFO in consultation with CEO & Managing Director recommends the amount to be declared as dividend to the Board along with all relevant workings, ratios, payouts, trends etc. As per the existing laws and rules, Interim dividends are confirmed by the shareholders and final dividends recommended by the Directors to shareholders for approval at the Annual General Meeting of the Company.

[a] <u>Circumstances under which the shareholders of the listed entities may or may not expect dividend:</u>

For the purposes of dividend distribution, the Company's shareholders may expect the following broad criteria to be followed by the Company -

- Dividends may be expected from the Company only after all required appropriations have been made and the resultant profit after the appropriations is positive and sufficient distribution of dividends as per the parameters - financial or otherwise mentioned below in point no.(b).
- A lower dividend may be proposed in the years that the Company has not made sufficient profits.
- Any dividend arising from negative profits would not be expected to be made up through plough back from the Company's accumulated Reserves. However, in exceptional cases, considering the reasons for which the profits are negative for the year, the Board may recommend dividends out of accumulated profits.

[b] <u>Financial Parameters would ideally include:</u>

- Distributable profits adequacy after appropriating to all Reserves and making all adjustments but before providing for dividends and tax thereon.
- Special adjustments (upsides/downsides) which have affected the profits for the year in consideration.
- Historical trend of dividend declared rate per share for past 10 years.
- Total payout of dividend and dividend tax on the same in ₹ crore.
- Payout ratio on PAT and distributable profits.
- Earnings per share on distributable profits.
- Cash availability for paying the proposed dividend.

[c] <u>Internal and External factors to be viewed:</u>

- Profits projected for the ensuing financial year.
- Consolidated profits of Tata Power group.
- State of the economy.
- Change in rules, regulations and compliances.
- Restrictions under applicable laws including tax laws.
- Working capital needs of the Company.
- Projects in hand and support required to complete the projects from Parent Company.

- Adequacy of the Company's current and projected Cash flows and strain on the existing cash reserves on account of declaration of dividends.
- Dividend pay-out ratios of the companies in same Industry.
- Debt reduction plans of the Company.
- Securities buy-back plan, if any.
- Mode of funding of the dividends proposed to be declared and cost of borrowings/internal accruals.
- Necessity to maintain adequate Reserves for future Contingencies which have not yet materialized and are thus not currently accounted for.

[d] Utilisation of Retained Earnings:

- Prime objective of retained earnings is to use it judiciously and invest either in existing projects of the Company, modernization not funded by consumers, new projects or growth areas approved by the Board, retiring high cost debt etc.
- The Company, on behalf of the shareholders, shall strive to grow its retained earnings at a rate which would be higher than the risk free rate of return that can be earned alternatively.
- The Company would also check its retained earnings vis-à-vis the debt-equity profile and ROE levels for the long-term investors of the Company.
- Based on the Company's projected Investment Opportunity balance, compared with the existing and projected debt-equity structure as well as the cost of external borrowings, the enhanced or reduced retained earnings need would be ascertained and the funds would be accordingly deployed for the same.

[e] Parameters that shall be adopted with regard to various classes of shares:

- Any current or future preference treatment shares, as per the rights mentioned therein, would be accorded preferential dividend distribution.
- Balance distribution would be effected by the Company for the equity share component.
- As and when Company issues other kind of shares, the Board may suitably amend this policy.

[f] Others:

- This policy may be disclosed as per Regulations applicable.
- This policy may be subject to revision/amendment as per MCA/SEBI guidelines issued from time to time.
- Company may modify the policy by adding, deleting or altering some provisions as deemed fit.
- If revision/amendments are not consistent with the existing practice followed then such revision/amendments will supersede and the provisions will be modified accordingly.
- The Company proposes to limit the distribution of dividend in the range of 30% to 60% of distributable profits unless this policy is reviewed by the Board again.
- Any payout of Dividend below 20% of distributable profits and above 60% would need be specifically approved by the Board as an exception to the policy.

3. Subsidiary Companies - Draft Dividend Policy

Subsidiary companies may consider the following aspects whilst dealing with their surplus profits and determining the best possible use for the same:

- Investments made by Parent Company in the Subsidiary have been approved based on IRR and cash flows reflected in the financial model used for investment approvals.
- As a majority shareholder, the Parent Company would be concerned about mode of distribution of the surplus cash earned by the Subsidiaries particularly because dividend is the only way to get returns on the investments made in that subsidiary.
- Subsequent to the initial investment in the subsidiary, any capex, growth or diversification plan of the Subsidiaries need to be placed to Tata Power Board for approval as per current practice due to the immediate decision required on providing equity funding and in some cases support to lenders.
- The Parent Company's Board would convey to the Subsidiary concerned, its ability (or otherwise) to support the requirements keeping in mind the overall leverage ratios and the specific equity raising plans at the parent level. It could also advise other suggested modes of funding the requirements.
- Subsidiary companies are expected to be familiar with the overall strategy set by the Parent Company and align itself to the strategic intent.
- All Subsidiaries/JV are expected to follow the principle of maximising the dividend payout unless specific purpose for retaining the funds is identified and agreed to with the Parent in its capacity as shareholder.
- As far as foreign Subsidiaries of the Parent Company are concerned, the Parent Company Board would play the role of advising the concerned Subsidiary of the usage of surplus funds of course the basic principles underlying remaining the same as above.

ANNEXURE – II : ANNUAL REPORT ON CSR ACTIVITIES

(Ref.: Board's Report, Section 12.1)

1.	A brief outline of the company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Tata Power has been actively working in seven thrust areas in CSR: • Education (with focus on gender balance and upto Secondary). • Livelihood & Employability. • Water (for Drinking & Irrigation). • Health and Sanitation. • Financial Inclusivity. • Social Capital and Institution Building. • Renewable Energy. The Company has ramped-up CSR capabilities and operations across all locations by bringing robustness to systems and processes to ensure effective programs which deliver long term impact and change to the community. Tata Power Community Development Trust (TPCDT) has internal capabilities to execute CSR programs effectively and efficiently. The Company's CSR policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company website.
2.	The composition of the CSR Committee	Ms. Anjali Bansal, Chairperson Mr. Deepak M. Satwalekar Mr. Anil Sardana
3.	Average net profit of the company for last three financial years.	₹ 685.47 crore
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 13.71 crore
5.	Details of CSR spend during the financial year	
(a)	Total amount to be spent for the financial year	₹ 14.71 crore
(b)	Amount unspent, if any	Nil
(c)	Manner in which the amount spent during the financial year is detailed overleaf	

<table>
<tr><th>Sl. No</th><th>CSR project or activity identified</th><th>Sector in which the Project is covered</th><th>Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken</th><th>Amount outlay (budget) project or programs wise (₹ in lakh)</th><th>Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or Programs (2) Overheads (₹ in lakh)</th><th>Cumulative expenditure upto the reporting period (as on 31.03.2018) (₹ in lakh)</th><th>Amount spent: Direct or through implementing agency</th></tr>
<tr><td>i</td><td>Education (Focus on Gender Balance upto Secondary)</td><td>Promotion of Education</td><td rowspan="5">Local Areas
• Maval, Mulshi (Hydros)
• Trombay, T&D

License Area
• Jojobera
• Tiruldih
• Haldia
• Dehrand
• Gadag, Khandke
• Supa, Agaswadi
• Poolawadi
• Samana

State :
• Maharashtra
• Jharkhand
• Odisha
• West Bengal
• Karnataka
• Tamil Nadu
• Gujarat

District :
• Pune
• Mumbai
• Singhbhum East
• Saraikela-Kharsawan
• Cuttack
• Haldia
• Raigad
• Gadag
• Ahmednagar
• Satara
• Udumalpet
• Jamnagar</td><td>62</td><td>187</td><td>1,301</td><td rowspan="5">Direct :
Tata Power

Implementation Agency (internal):
• Tata Power Community Development Trust (TPCDT)
• Employee Volunteers

Implementation Agency (external):
• Government Agencies
• Local Panchayats
• Zilla Parishad
• NGOs
• Skill Development Agencies
• Other Resource Agencies</td></tr>
<tr><td>ii</td><td>Livelihood & Employability (Focus Areas: Skill Development, Vocational training, Promote Livelihood practices among farmers/ fishermen, Income Generation activities for Women Self Help Groups)</td><td>Livelihood enhancement projects; Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups</td><td>729</td><td>688</td><td>3,191</td></tr>
<tr><td>iii</td><td>Water (Drinking & Irrigation)</td><td></td><td>12</td><td>12</td><td>12</td></tr>
<tr><td>iv</td><td>Health & Sanitation</td><td>Promoting Preventive healthcare and sanitation and making available safe drinking water</td><td>97</td><td>96</td><td>1,178</td></tr>
<tr><td>v</td><td>Financial Inclusivity</td><td></td><td>0</td><td>0</td><td>0</td></tr>
</table>

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or Programs (2) Overheads (₹ in lakh)	Cumulative expenditure upto the reporting period (as on 31.03.2018) (₹ in lakh)	Amount spent: Direct or through implementing agency
vi	Social Capital and Institution building (Focus Areas: Institution Building, Participatory Rural Development Works, Women empowerment training programs)	Rural development projects; Empowering Women		129	129	1,608	
vii	Renewable Energy/Nurturing Sustainability	Solar Roof Top Net Metering Project Micro grid projects.		22	11	1,178	
viii	Affirmative Action (AA)	Education, Employability, Entrepreneurship, Essential Amenities.		90	72	72	
ix	Other/community Welfare/Nurturing Sustainability	Miscellaneous, overhead		330	329	1,277	
x	**Total**			**1,471**	**1,524**	**9,817**	

Key Highlights of the CSR Program

- The CSR programs had a coverage of 278 villages and touched the lives of 5.49 lakh people.
- 336 schools were covered benefiting 0.48 lakh school children.
- Health programs were implemented in 211 villages covering 2 lakh beneficiaries.
- Livelihood programs covered 0.079 lakh farmers and employability initiatives benefited 0.022 lakh youth.
- Financial inclusion initiatives benefited 1.51 lakh lives.

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Details of Education Initiatives:

- 5000 students covered under digital and remedial education in 10 schools at Trombay.
- Implementation of AAKAR model on pre-school education at Dehrand.
- In locations where education programs are ongoing, learning levels are showing positive trends amongst primary schools.
- Special focus for improvements is being provided through remedial classes, e-learning and teacher training programs.

Details of Livelihood and Employability Initiatives :

- Integrated agriculture initiatives at Maith on covered area of 225 acres under WADI.
- As a benefit due to the programs, farmers in Maval recorded increase in yield through 'Root Intensification' technique.
- In Jojobera, a profit of ₹ 1.47 lakh was made on a 37-acre plot of land through collective farming in 2 cycles.
- An MoU was signed with Corbett foundation for hydroponic units and 364 MT dry fodder was supplied to gaushala.
- TPSDI trained a total of 16,205 youth out of which 53.3% were from SC/ST background.
- A total of 2,247 youth were trained under skill development training and 746 youth were placed.
- 48.61% placements were recorded for the trained youth with a median salary of ₹ 10,193.

Details of Social Capital and Financial Inclusivity

- Total 246 SHG were formed covering 3,244 SHG members from 200 villages and a gross funding of ₹ 68.1 lakhs was mobilized.
- In Trombay area, Project Anna Suraksha covered 4000 beneficiaries by enrolling under Right to Food Act.
- 2601 women members of SHG were trained in income generation activities.
- ₹ 56.07 crore of funds were mobilized through government, community and other funding agencies (a 476% increase in resource mobilization compared to last year i.e. ₹ 9.74 crore).

</td></tr>
<tr><td>6.</td><td>In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.</td><td>NA</td></tr>
<tr><td>7.</td><td>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.</td><td>The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.</td></tr>
</table>

Anjali Bansal
Chairperson, CSR Committee
(DIN: 00207746)

Praveer Sinha
CEO & Managing Director
(DIN: 01785164)

ANNEXURE – III : POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES

(Ref.: Board's Report, Section 15)

1. **Objective**

1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of The Tata Power Company Limited ('the company').

1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. **Attributes of directors**

2.1 The following attributes need to be considered in considering optimum board composition:

i) **Gender diversity**

Having at least one woman director on the Board with an aspiration to reach three women directors.

ii) **Age**

The average age of board members should be in the range of 60 - 65 years.

iii) **Competency**

The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.

iv) **Independence**

The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the 'independence' criterion.

Additional Attributes

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

3. **Role of the Nomination and Remuneration Committee**

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. **Review of the Policy**

4.1 The NRC will review this policy periodically and recommend revisions to the board for consideration.

ANNEXURE – IV : REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

(Ref.: Board's Report, Section 15)

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of The Tata Power Company Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals."

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**
  - Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
  - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
  - Overall remuneration practices should be consistent with recognized best practices.
  - Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
  - The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration for managing director ("MD")/executive directors ("ED")/KMP/rest of the employees[1]**
  - o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
    - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent).
    - Driven by the role played by the individual.
    - Reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay.
    - Consistent with recognized best practices.
    - Aligned to any regulatory requirements.
  - o In terms of remuneration mix or composition:
    - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
    - Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
    - In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
    - The company provides retirement benefits as applicable.
    - In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
    - The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.
- **Remuneration payable to Director for services rendered in other capacity**

  The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

  a) The services rendered are of a professional nature; and

  b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- **Policy implementation**

  The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

[1] *Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.*

ANNEXURE – V: CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

(Ref.: Board's Report, Section 17)

A. CONSERVATION OF ENERGY

i. The steps taken for impact on conservation of energy:

Your Company considers it important to manage the continuously rising energy demand by creating an environment for efficient use of power.

Your Company has developed programmes for different types of consumers. For residential consumers in Mumbai, your Company launched a unique consumer initiative called 'Be Green'. This initiative gave an opportunity to the Company's consumers to exchange their inefficient electrical appliances for 5-star rated energy efficient appliances at a discounted price. This initiative helps to reduce consumers' energy cost by 30% to 50% without compromising on their comfort and convenience. The Company has partnered with leading consumer appliance manufacturers for energy efficient equipment. Your Company has encouraged consumers to opt for paperless e-billing in FY18. Over 27,429 consumers have opted for e-billing in Mumbai.

Your Company saved over 4,850 MWh energy through Demand Side Management initiatives taken for consumers in FY18 such as implementation of DELP and UJALA programs and replacement of inefficient electrical appliances.

Your Company also carried out energy audits for industrial and commercial consumers. The experts mapped their unique power consumption pattern and offered specific recommendations to improve the process and equipment efficiency. Further, the following items are being pursued:

- At Trombay, initiatives for optimization/reduction of auxiliary power consumption.
- Installation of water canon at CGPL for bringing more flexibility in firing of different type of coal and reduction in heat rate.
- Reduction in auxiliary consumption using VFD in condensate extraction pump at CGPL.
- At Kalinganagar, motion sensors have been installed in corridors and rooms. Use of LED lamps at Trombay, Haldia and Kalinganagar.
- At Maithon, de-staging was done in condensate extraction pumps, reducing auxiliary power consumption.
- At solar sites, seasonal tilts were implemented to reduce the pointing error of sun rays perpendicular to PV arrays and helped to improve specific yield from solar PV plants.
- Inverter rooms in the solar PV fields were provided with rooftop solar arrangement to optimize auxiliary energy consumption.
- Electroluminescence imaging was carried out for Mithapur, Palaswadi & Mulshi to identify defects in crystalline silicon solar cells which are otherwise difficult to identify.
- To enhance the generation from the solar plant experiencing issues due to cloud cover during winter solstice, PV system analysis was carried out and re-orientation of arrays was implemented accordingly. This resulted in enhancement of specific yield from 1.38 MUs/MW to 1.45 MUs/MW.
- Quick response team was formed to ensure the availability of WTGs during high wind season.

B. **RESEARCH AND DEVELOPMENT**

1	Specific area in which R&D carried out by the Company	• Steer by wire for a combination of skid steered wheels and castor wheels, maintaining Ackerman's centre for use in gun automotive sub system • Haze/fog removal algorithms • Night Vision Enhancement Algorithms • Edge Analytics based efficient video analytics communication with cloud in the SPIDER framework • Multi object classification in real time videos • End of Terrain telemetry
2	Benefits derived as a result of the above R&D	• Haze/fog removal, Night Vision Enhancement Algorithms deployed in LOROS • Haze/fog removal, Night Vision Enhancement Algorithms deployed in 'Fog Vision System' for Railways • Indigenous secure and trustworthy solutions for Battlefield Management System, Tactical Communication System, combat vehicles, gun programs and launcher programs and military grade communications requirement • Ability to address analytics market (audio and text now, imagery in the future) for unique Indian languages and scenarios • Ability to address Secure Telecom Market
3	Future Plan of Action	• Deployment of analytics & SPIDER framework in the cloud for customers & partners • Identify gaps in technology and subsystems and initiate development projects

C. **TECHNOLOGY ABSORPTION**

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	• Ash utilisation for making paints, geopolymeric cement and in pebbles to be made as elastopave • Indigenization of multi-fuel steam generation with alfa system • Joint working with SECI on opportunities to commercialise the floating solar design • Micro-inverters for roof top solar opportunities • Heat Pump deployed in the hydro location for meeting hot water requirements
2	Benefits derived as a result of the above efforts	• Achieving goal of 100% ash utilisation. • Indigenisation of critical technologies thus managing risk of technology denial from foreign OEMs and works towards achieving Government of India's goal of creating substantive self-reliance.
3	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	 a) Inertial Navigation System (INS) from Honeywell, USA b) FY15 c) Technology was validated in pilot projects during FY16 and FY17 d) Technology to go for manufacturing
4	Expenditure on R & D (in₹ crore) a) Capital b) Recurring	a) Clean Tech ₹ 2 crore SED ₹ 110 crore b) Clean Tech ₹ 1.5 crore SED - Total ₹ 113.5 crore

GENERATION BUSINESS

- IEL Kalinganagar has introduced wireless temperature transmitters for boiler drum and super heater skin metal temperature measurement.
- At Trombay, Unit 6 generator was filled with nitrogen instead of hydrogen, thereby ensuring safe preservation of generator
- At Trombay, using maintenance free coupling for Steam Turbine Boiler Feed Pump (STBFP) in Unit 5 has reduced preventive maintenance cycle from 12 months to 6 months. This ensures improved reliability and interruption free operation of STBFP.
- Use of drone for inspection at boiler non-accessible area and monitoring of rock mass through high resolution imagery in hydros.
- Special coating of plastocor for condenser tube inlet and outlet has been applied in Unit 5 at Trombay to avoid erosion due to turbulence in flow, thereby improving life of tubes.
- All three hydro stations viz Khopoli, Bhivpuri and Bhira have started operating centrally from Khopoli station from current financial year.

TRANSMISSION AND DISTRIBUTION BUSINESS

- Launched India's first Online Monitoring System (OMS) for monitoring the Dissolved Gas Analysis (DGA) of power transformers.
- Introduced IoT-based Automated Meter Infrastructure solution to provide power measurement parameters such as instantaneous, load profile, tamper and billing information on periodic manner. This will enable fast turnaround time of data thereby bringing in operational efficiency and better reconciliation between distribution points and end customers.
- Launched IoT-based asset tracking automation solution in Mumbai. This solution also allows for various features like asset trace log on a periodic basis and geo-fence breach alerts. It also helps drive operational efficiencies.
- Mobile-GIS assisted system for Restoration and Care (maRC) deployed. This led to improved communication with consumers and better handling of technical complaints.
- Extra High Voltage Over Head (EHV OH) line inspection using drone to inspect inaccessible Transmission towers and lines.
- Mobile App developed for cable route patrolling and reporting potential cable damages.

  Digitalization of business processes and customer integration achieved through introduction of online applications, e-payment options etc.

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai: 2nd May 2018

ANNEXURE – VI : DISCLOSURE OF MANAGERIAL REMUNERATION

(Ref.: Board's Report, Section 18)

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Mr. N. Chandrasekaran	1.88
Mr. Nawshir H. Mirza	9.34
Mr. Deepak M. Satwalekar	7.99
Ms. Anjali Bansal	4.16
Ms. Vibha Padalkar	0.69
Mr. Sanjay V. Bhandarkar	4.57
Mr. K. M. Chandrasekhar (w.e.f. 04.05.2017)	1.88
Mr. Hemant Bhargava (w.e.f. 24.08.2017)	1.14
Mr. Saurabh Agrawal (w.e.f. 17.11.2017)	0.19
Mr. Banmali Agrawala (w.e.f. 17.11.2017)	0.14
Mr. Anil Sardana, CEO and Managing Director	0.59
Mr. Ashok S. Sethi, COO and Executive Director	1.73
Dr. Homiar S. Vachha (upto 22.04.2017)	N.A.
Mr. Pravin H. Kutumbe (upto 20.05.2017)	0.16
Mr. S. Padmanabhan (upto 16.11.2017)	0.35
Ms. Sandhya S. Kudtarkar (upto 16.11.2017)	0.14

b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr. N. Chandrasekaran	N.A.
Mr. Nawshir H. Mirza	-1
Mr. Deepak M. Satwalekar	-3
Ms. Anjali Bansal	187
Ms. Vibha Padalkar	67
Mr. Sanjay V. Bhandarkar	275
Mr. K. M. Chandrasekhar (w.e.f. 04.05.2017)	N.A.
Mr. Hemant Bhargava (w.e.f. 24.08.2017)	N.A.
Mr. Saurabh Agrawal (w.e.f. 17.11.2017)	N.A.
Mr. Banmali Agrawala (w.e.f. 17.11.2017)	N.A.
Mr. Anil Sardana, CEO and Managing Director (KMP)	24
Mr. Ashok S. Sethi, COO and Executive Director (KMP)	16
Dr. Homiar S. Vachha (upto 22.04.2017)	N.A.
Mr. Pravin H. Kutumbe (upto 20.05.2017)	-89
Mr. S. Padmanabhan (upto 16.11.2017)	-73
Ms. Sandhya S. Kudtarkar (upto 16.11.2017)	-90
Mr. Ramesh N. Subramanyam, Chief Financial Officer (KMP)	7
Mr. Hanoz M. Mistry, Company Secretary (KMP)	20

c) The percentage increase in the median remuneration of employees in the financial year: 5.58%.

d) The number of permanent employees on the rolls of the company: 3,692.

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of Managers (defined as MD and ED on the Board of your Company) was 5.50%. For employees of Tata Power, the median increase was 5.58%.

f) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 2nd May 2018

ANNEXURE – VII : RELATED PARTY TRANSACTIONS

(Ref.: Board's Report, Section 19)

FORM No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Tata Sons Limited (Tata Sons) (Investee Company)	Share Purchase Agreement	N.A.	Share Purchase Agreement for sale of 59,08,82,000 Equity Shares held in Panatone Finvest Limited to Tata Sons Limited. Consideration value ₹ 1,542.61 crore.	Share Purchase Agreement for sale of 59,08,82,000 Equity Shares held in Panatone Finvest Limited to Tata Sons Limited.	29.03.2018	Nil	Shareholders approval sought by Postal Ballot.
Panatone Finvest Limited (Panatone) (Associate Company)	Share Purchase Agreement	N.A.	Share Purchase Agreement for sale of 1,33,96,200 Equity Shares held in Panatone Finvest Limited. Consideration value ₹ 613.49 crore.	Share Purchase Agreement for sale of 1,33,96,200 Equity Shares held in Panatone Finvest Limited.	29.03.2018	Nil	Shareholders approval sought by Postal Ballot.

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
There are no material contracts or arrangements or transactions at arm's length basis					

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 2nd May 2018

ANNEXURE – VIII : EXTRACT OF ANNUAL RETURN

(Ref.: Board's Report, Section 22)

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: L28920MH1919PLC000567

ii) Registration Date: 18th September 1919

iii) Name of the Company: The Tata Power Company Limited

iv) Category/Sub-Category of the Company: Public Company limited by shares

v) Address of the Registered office and contact details: Bombay House, 24, Homi Mody Street, Mumbai - 400 001.
Tel.: 022 6665 8282 Fax: 022 6665 8801 E-mail: tatapower@tatapower.com Website: www.tatapower.com

vi) Whether listed company: Yes

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

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
Tel.: 022 6656 8484 Fax.: 022 6656 8494 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Power Supply & Transmission charges	3510	81

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	Af-Taab Investment Co. Ltd. Corporate Centre, B Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U65990MH1979PLC021037	Subsidiary	100	Section 2(87)
2	Tata Power Trading Co. Ltd. Carnac Receiving Station, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40100MH2003PLC143770	Subsidiary	100	Section 2(87)
3	Powerlinks Transmission Ltd. 10th Floor, DLF Tower-A, District Center-Jasola, New Delhi 110 025	U40105DL2001PLC110714	Subsidiary	51	Section 2(87)
4	Maithon Power Ltd. Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U74899MH2000PLC267297	Subsidiary	74	Section 2(87)
5	NELCO Ltd. MIDC, Plot No. EL 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai 400 710	L32200MH1940PLC003164	Subsidiary	50.04	Section 2(87)
6	Tatanet Services Ltd. MIDC, Plot No. EL 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai 400 710	U67120MH1987PLC044351	Subsidiary	50.04	Section 2(87)
7	Nelco Network Products Ltd. EL-6, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710	U32309MH2016PLC285693	Subsidiary	50.04	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
8	Industrial Energy Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U74999MH2007PLC167623	Subsidiary	74	Section 2(87)
9	Industrial Power Utility Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U74999MH2007PLC168291	Subsidiary	100	Section 2(87)
10	Tata Power Delhi Distribution Ltd. NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	U40109DL2001PLC111526	Subsidiary	51	Section 2(87)
11	NDPL Infra Ltd. Jeevan Bharati Tower #1, 10th Floor, 124, Connaught Circus, New Delhi 110 001	U40106DL2011PLC223982	Subsidiary	51	Section 2(87)
12	Coastal Gujarat Power Ltd. 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40102MH2006PLC182213	Subsidiary	100	Section 2(87)
13	Tata Power Renewable Energy Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2007PLC168314	Subsidiary	100	Section 2(87)
14	Tata Power Green Energy Ltd. B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2011PLC211851	Subsidiary	100	Section 2(87)
15	Supa Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2015PLC270878	Subsidiary	100	Section 2(87)
16	Nivade Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2015PLC271114	Subsidiary	100	Section 2(87)
17	Poolavadi Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2016PLC271899	Subsidiary	100	Section 2(87)
18	Indo Rama Renewables Jath Ltd. H No.513, Sector 22, Gurgaon, Haryana 122 015	U40300HR2012PLC046057	Subsidiary	100	Section 2(87)
19	Vagarai Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2017PLC291708	Subsidiary	72	Section 2(87)
20	Walwhan Renewable Energy Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40103MH2009PLC197021	Subsidiary	100	Section 2(87)
21	Clean Sustainable Solar Energy Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2014PTC254371	Subsidiary	99.99	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
22	Dreisatz Mysolar24 Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40102DL2009PTC195082	Subsidiary	100	Section 2(87)
23	MI Mysolar24 Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40106DL2009PTC195090	Subsidiary	100	Section 2(87)
24	Northwest Energy Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2008PTC182762	Subsidiary	100	Section 2(87)
25	Solarsys Renewable Energy Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U74999DL2004PTC131074	Subsidiary	100	Section 2(87)
26	Walwhan Solar Energy GJ Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40104MH2008PLC184134	Subsidiary	100	Section 2(87)
27	Walwhan Solar Raj Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40105MH2010PLC202097	Subsidiary	100	Section 2(87)
28	Walwhan Solar BH Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2010PLC209615	Subsidiary	100	Section 2(87)
29	Walwhan Solar MH Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2006PLC165673	Subsidiary	100	Section 2(87)
30	Walwhan Wind RJ Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40108DL2006PLC274219	Subsidiary	100	Section 2(87)
31	Walwhan Solar AP. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40109MH2008PLC178769	Subsidiary	100	Section 2(87)
32	Walwhan Solar KA Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2012PLC233418	Subsidiary	100	Section 2(87)
33	Walwhan Solar MP Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2010PLC206275	Subsidiary	100	Section 2(87)
34	Walwhan Solar PB Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40300DL2010PLC274220	Subsidiary	100	Section 2(87)
35	Walwhan Energy RJ Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40105MH2010PLC206475	Subsidiary	100	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
36	Walwhan Solar TN Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40106DL2010PLC277364	Subsidiary	100	Section 2(87)
37	Walwhan Solar RJ Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2011PLC213470	Subsidiary	100	Section 2(87)
38	Walwhan Urja Anjar Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40300DL2010PLC282627	Subsidiary	100	Section 2(87)
39	Walwhan Urja India Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40109MH2006PLC165964	Subsidiary	100	Section 2(87)
40	Dugar Hydro Power Ltd. Santosh Bhavan, 1st Floor, Near Govt. Middle School, Mehli, PO Kasumpti, Shimla 171 009	U40101HP2011PLC031626	Subsidiary	50.001	Section 2(87)
41	Tata Power Solar Systems Ltd. Plot No.78, Electronic City, Hosur Road, Bengaluru 560 100	U40106KA1989PLC034989	Subsidiary	100	Section 2(87)
42	Chirasthaayee Saurya Ltd. No.78, Electronic City, Hosur Road, Bengaluru 560 100	U40101KA2016PLC094100	Subsidiary	100	Section 2(87)
43	Tata Power Jamshedpur Distribution Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2012PLC237581	Subsidiary	100	Section 2(87)
44	Tata Ceramics Ltd. 26 Cochin Special Economic Zone, Kakkanad, Ernakulam 682 037	U26933KL1991PLC006018	Subsidiary	57.07	Section 2(87)
45	TP Ajmer Distribution Ltd. c/o The Tata Power Co. Ltd., 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40100MH2017PLC293914	Subsidiary	100	Section 2(87)
46	Bhira Investments Ltd. IFS Court, Bank Street, Twenty Eight, Cybercity Ebene 72201, Republic of Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
47	Bhivpuri Investments Ltd. IFS Court, Bank Street, Twenty Eight, Cybercity Ebene 72201, Republic of Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
48	Khopoli Investments Ltd. IFS Court, Bank Street, Twenty Eight, Cybercity Ebene 72201, Republic of Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
49	Trust Energy Resources Pte. Ltd. 78 Shenton Way, 17-01/02, Singapore 079120	Not applicable, foreign company	Subsidiary	100	Section 2(87)
50	Energy Eastern Pte. Ltd. 78 Shenton Way, 17-01/02, Singapore 079120	Not applicable, foreign company	Subsidiary	100	Section 2(87)
51	PT Sumber Energi Andalan Tbk. Prince Centre 8th Floor, Jl. Jend. Sudirman Kav 3-4, Jakarta 10220, Indonesia	Not applicable, foreign company	Subsidiary	92.50	Section 2(87)
52	Tata Power International Pte. Ltd. 78 Shenton Way, 17-01/02, Singapore 079120	Not applicable, foreign company	Subsidiary	100	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
53	Far Eastern Natural Resources LLC, Russian Federation, 683024, Kamchatka Krai, Petropavlovsk-Kamchatsky city, 49 Zerkalnaya str., office 327.	Not applicable, foreign company	Subsidiary	100	Section 2(87)
54	Tubed Coal Mines Ltd. Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030	U10100MH2007PLC174466	Associate	40	Section 2(6)
55	Mandakini Coal Company Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U10100DL2008PLC175417	Associate	33.33	Section 2(6)
56	Solace Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC242177	Associate	33.33	Section 2(6)
57	Gamma Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC242303	Associate	33.33	Section 2(6)
58	Beta Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70100DL2012PLC245127	Associate	33.33	Section 2(6)
59	Ginger Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC245128	Associate	33.33	Section 2(6)
60	Yashmun Engineers Ltd. Dharavi Road, Next to MSEB, Matunga, Mumbai 400 019	U29100MH1966PLC006109	Associate	27.27	Section 2(6)
61	Panatone Finvest Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U67120MH1992PLC066160	Associate	39.98	Section 2(6)
62	Tata Projects Ltd. Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad, Hyderabad 500 003	U45203TG1979PLC057431	Associate	47.78	Section 2(6)
63	The Associated Building Co. Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U45200MH1921PLC000866	Associate	33.14	Section 2(6)
64	Brihat Trading Pvt. Ltd. Bank of Baroda Building, Bombay Samachar Marg, Mumbai 400 001	U51900MH1988PTC049926	Associate	33.21	Section 2(6)
65	Nelito Systems Ltd. 205-208, Millennium Business Park, Building 2, Sector 1, Mahape, Navi Mumbai 400 701	U72900MH1995PLC088816	Associate	28.15	Section 2(6)
66	Cennergi Pty. Ltd. Exxaro Corporate Centre, Roger Dyason Road, Block A, Floor 4, Pretoria West, 0183, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
67	Tsitsikamma Community Wind Farm (Pty.) Ltd. Exxaro Corporate Centre, Roger Dyason Road, Block A, Floor 4, Pretoria West, 0183, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
68	Amakhala Emoyeni RE Project 1 (Pty.) Ltd. Exxaro Corporate Centre, Roger Dyason Road, Block A, Floor 4, Pretoria West, 0183, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
69	PT Mitratama Perkasa Menara Anugrah Lantai 10, Kantor Taman E3.3, Lot 8.6-8.7, Jl DR Ide Anak Agung Gde Agung-Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)
70	PT Mitratama Usaha Menara Anugrah Lantai 10, Kantor Taman E3.3, Lot 8.6-8.7, Jl DR Ide Anak Agung Gde Agung- Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)
71	PT Arutmin Indonesia 14th Floor, Bakrie Tower Complex, Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta 12940, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
72	PT Kaltim Prima Coal Bakrie Tower, 15th Floor, Jl. H.R. Rasuna Said, Kel. Karet Kuningan Kec. Setiabudi, Jakarta Selatan, Indonesia 12940	Not applicable, foreign company	Associate	30	Section 2(6)
73	Indocoal Resources (Cayman) Ltd. P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands	Not applicable, foreign company	Associate	30	Section 2(6)
74	Indocoal KPC Resources (Cayman) Ltd. Citco Trustees (Cayman) Limited, 89 Nexus Way, Camana Bay, P.O. Box 31106, Grand Cayman KY1-1205, Cayman Islands	Not applicable, foreign company	Associate	30	Section 2(6)
75	PT Indocoal Kalsel Resources Bakrie Tower, 12th floor, Rasuna Epicentrum Jl. H.R. Rasuna Said, Jakarta, Indonesia 12940	Not applicable, foreign company	Associate	30	Section 2(6)
76	PT Indocoal Kaltim Resources Bakrie Tower, 12th floor, Rasuna Epicentrum Jl. H.R. Rasuna Said, Jakarta, Indonesia 12940	Not applicable, foreign company	Associate	30	Section 2(6)
77	Dagachhu Hydro Power Corporation Ltd. Khebisa, Dzongkhang: Dagana, Bhutan	Not applicable, foreign company	Associate	26	Section 2(6)
78	Candice Investments Pte. Ltd. 60 Paya Lebar Road, #08-43 Paya Lebar Square, Singapore 409051	Not applicable, foreign company	Associate	30	Section 2(6)
79	PT Nusa Tambang Pratama Menara Anugrah Lantai 10, Kantor Taman E3.3, Lot 8.6-8.7, Jl DR Ide Anak Agung Gde Agung- Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
80	PT Marvel Capital Indonesia Menara Anugrah Lantai 10, Kantor Taman E3.3, Lot 8.6-8.7, Jl DR Ide Anak Agung Gde Agung- Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
81	PT Dwikarya Prima Abadi Menara Anugrah Lantai 10, Kantor Taman E3.3, Lot 8.6-8.7, Jl DR Ide Anak Agung Gde Agung- Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
82	PT Kalimantan Prima Power Gd. Menara Duta Lt. 2 Wing A Jl. H. R. Rasuna Said Kav. B-9 Setibudi, Jakarta Selatan 12910	Not applicable, foreign company	Associate	30	Section 2(6)
83	PT Guruh Agung Gd. Graha Kapital Lt. 2, Jl. Kemang Raya No. 4, Bangka, Jakarta Selatan	Not applicable, foreign company	Associate	30	Section 2(6)
84	PT Citra Prima Buana Gd. Menara Duta Lt. 2 Wing A, Jl. H. R. Rasuna Said Kav. B-9 Setibudi, Jakarta Selatan 12910	Not applicable, foreign company	Associate	30	Section 2(6)
85	PT Citra Kusuma Perdana Gd. Menara Duta Lt. 2 Wing A, Jl. H. R. Rasuna Said Kav. B-9 Setibudi, Jakarta Selatan 12910	Not applicable, foreign company	Associate	30	Section 2(6)
86	PT Baramulti Sukessarana Tbk Sahid Sudirman Center, 56C, Jl. Jendral Sudirman Kav. 86, Jakarta 10220, Indonesia	Not applicable, foreign company	Associate	26	Section 2(6)
87	PT Antang Gunung Meratus Sahid Sudirman Center, 56C, Jl. Jendral Sudirman Kav. 86, Jakarta 10220, Indonesia	Not applicable, foreign company	Associate	26	Section 2(6)
88	Adjaristsqali Netherlands B.V. Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, P.O. Box 23393, 1100 DW Amsterdam, The Netherlands	Not applicable, foreign company	Associate	40	Section 2(6)
89	Adjaristsqali Georgia LLC 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
90	Koromkheti Netherlands B.V. Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, P.O. Box 23393, 1100 DW Amsterdam, The Netherlands	Not applicable, foreign company	Associate	40	Section 2(6)
91	Koromkheti Georgia L.L.C 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
92	Itezhi Tezhi Power Corporation Ltd. Plot 3039, Makishi Road, Fairview Area, Lusaka, Zambia	Not applicable, foreign company	Associate	50	Section 2(6)
93	Resurgent Power Ventures Pte. Ltd. 1 Raffles Place, #13-01, One Raffles Place, Singapore 048616	Not applicable, foreign company	Associate	26	Section 2(6)
94	LTH Milcom Pvt. Ltd. L & T House, Ballard Estate, Mumbai 400 001	U74999MH2015PTC267502	Associate	33.33	Section 2(6)

* Includes direct and indirect subsidiaries, joint ventures and associates.

IV. SHAREHOLDING 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 (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (including Promoter Group)									
(1) Indian									
a) Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	89,25,44,226	0	89,25,44,226	33.00	89,25,44,226	0	89,25,44,226	33.00	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (Trust)	6,56,240	0	6,56,240	0.02	6,56,240	0	6,56,240	0.02	0.00
Sub-Total (A) (1):	**89,32,00,466**	**0**	**89,32,00,466**	**33.02**	**89,32,00,466**	**0**	**89,32,00,466**	**33.02**	**0.00**
(2) Foreign									0.00
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoters (A) =(A) (1)+(A)(2)	**89,32,00,466**	**0**	**89,32,00,466**	**33.02**	**89,32,00,466**	**0**	**89,32,00,466**	**33.02**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	9,29,81,480	1,74,420	9,31,55,900	3.44	14,55,00,772	1,33,880	14,56,34,652	5.38	1.94
b) Bank/FI	1,56,36,027	4,85,062	1,61,21,089	0.60	1,64,91,851	4,28,562	1,69,20,413	0.63	0.03
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	32,24,109	2,52,560	34,76,669	0.13	44,300	2,47,120	2,91,420	0.01	-0.12
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Alternate Investment Funds	0	0	0	0.00	8,00,000	0	8,00,000	0.03	0.03
g) Insurance Companies	52,40,17,593	30,400	52,40,47,993	19.37	47,49,66,861	29,100	47,49,95,961	17.56	-1.81
h) FIIs	5,42,06,853	68,980	5,42,75,833	2.01	1,08,11,182	53,480	1,08,64,662	0.40	-1.60
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (specify)									
j-i) Foreign Portfolio Investors (Corporate)	68,29,82,768	0	68,29,82,768	25.25	75,01,69,020	0	75,01,69,020	27.74	2.48
j-ii) Foreign Nationals - DR	2,82,200	0	2,82,200	0.01	2,82,200	0	2,82,200	0.01	0.00
j-iii) Foreign Bodies - DR	14,75,797	0	14,75,797	0.05	19,340	0	19,340	0.00	-0.05
j-iv) Foreign Institutional Investors - DR	36,900	0	36,900	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1):	**1,37,48,43,727**	**10,11,422**	**1,37,58,55,149**	**50.87**	**1,39,90,85,526**	**8,92,142**	**1,39,99,77,668**	**51.76**	**0.89**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4,35,32,409	12,03,907	4,47,36,316	1.65	2,32,32,886	11,54,047	2,43,86,933	0.90	-0.75
ii) Overseas	4,000	6,400	10,400	0.00	4,000	400	4,400	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	29,39,91,455	5,73,98,197	35,13,89,652	12.99	29,68,42,544	4,88,97,497	34,57,40,041	12.78	-0.21
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,43,40,372	13,79,580	2,57,19,952	0.95	2,78,90,714	13,79,580	2,92,70,294	1.08	0.13
c) Others (specify)									
NBFCs registered with RBI	0	0	0	0.00	59,359	0	59,359	0.00	0.00
Trust	1,04,95,373	11,100	1,05,06,473	0.39	29,72,032	9,900	29,81,932	0.11	-0.28
Directors & their relatives	36,862	0	36,862	0.00	36,862	0	36,862	0.00	0.00
IEPF Suspense A/C	0	0	0	0.00	62,58,295	0	62,58,295	0.23	0.23
Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):	**37,24,00,471**	**5,99,99,184**	**43,23,99,655**	**15.99**	**35,72,96,692**	**5,14,41,424**	**40,87,38,116**	**15.11**	**-0.87**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,74,72,44,198**	**6,10,10,606**	**1,80,82,54,804**	**66.85**	**1,75,63,82,218**	**5,23,33,566**	**1,80,87,15,784**	**66.87**	**0.02**
TOTAL (A)+(B)	**2,64,04,44,664**	**6,10,10,606**	**2,70,14,55,270**	**99.88**	**2,64,95,82,684**	**5,23,33,566**	**2,70,19,16,250**	**99.89**	**0.02**
C. Shares held by Custodians for GDR & ADRs	33,16,940	1,300	33,18,240	0.12	28,55,960	1,300	28,57,260	0.11	**-0.02**
GRAND TOTAL (A)+(B)+(C)	**2,64,37,61,604**	**6,10,11,906**	**2,70,47,73,510**	**100.00**	**2,65,24,38,644**	**5,23,34,866**	**2,70,47,73,510**	**100.00**	**0.00**

ii) Shareholding of Promoters (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Limited (Promoter)	83,97,99,682	31.05	1.43	83,97,99,682	31.05	1.43	0.00
2	Tata Steel Limited *	3,91,22,725	1.45	0.00	3,91,22,725	1.45	0.00	0.00
3	Tata Investment Corporation Limited *	68,47,842	0.25	0.00	68,47,842	0.25	0.00	0.00
4	Tata Industries Limited *	45,35,200	0.17	0.00	45,35,200	0.17	0.00	0.00
5	Ewart Investments Limited *	22,29,657	0.08	0.00	22,29,657	0.08	0.00	0.00
6	Tata Motors Finance Limited *	9,120	0.00	0.00	9,120	0.00	0.00	0.00
7	Sir Dorabji Tata Trust *	5,72,880	0.02	0.00	5,72,880	0.02	0.00	0.00
8	Sir Ratan Tata Trust *	70,160	0.00	0.00	70,160	0.00	0.00	0.00
9	JRD Tata Trust *	13,200	0.00	0.00	13,200	0.00	0.00	0.00
	Total	**89,32,00,466**	**33.02**	**1.43**	**89,32,00,466**	**33.02**	**1.43**	**0.00**

* Part of Promoter Group

iii) Changes in Promoter's (including Promoter Group) Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tata Sons Limited (Promoter)	83,97,99,682	31.05					83,97,99,682	31.05
				-	No change	0	0.00	83,97,99,682	31.05
				31.03.2018	At the end of the year	-	-	83,97,99,682	31.05
2	Tata Steel Limited *	3,91,22,725	1.45					3,91,22,725	1.45
				-	No change	0	0.00	3,91,22,725	1.45
				31.03.2018	At the end of the year	-	-	3,91,22,725	1.45
3	Tata Investment Corporation Limited *	68,47,842	0.25					68,47,842	0.25
				-	No change	0	0.00	68,47,842	0.25
				31.03.2018	At the end of the year	-	-	68,47,842	0.25
4	Tata Industries Limited *	45,35,200	0.17					45,35,200	0.17
				-	No change	0	0.00	45,35,200	0.17
				31.03.2018	At the end of the year	-	-	45,35,200	0.17
5	Ewart Investments Limited *	22,29,657	0.08					22,29,657	0.08
				-	No change	0	0.00	22,29,657	0.08
				31.03.2018	At the end of the year	-	-	22,29,657	0.08
6	Tata Motors Finance Limited *	9,120	0.00					9,120	0.00
				-	No change	0	0.00	9,120	0.00
				31.03.2018	At the end of the year	-	-	9,120	0.00
7	Sir Dorabji Tata Trust *	5,72,880	0.02					5,72,880	0.02
				-	No change	0	0.00	5,72,880	0.02
				31.03.2018	At the end of the year	-	-	5,72,880	0.02

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sir Ratan Tata Trust *	70,160	0.00					70,160	0.00
				-	No change	0	0.00	70,160	0.00
				31.03.2018	At the end of the year	-	-	70,160	0.00
9	JRD Tata Trust *	13,200	0.00					13,200	0.00
				-	No change	0	0.00	13,200	0.00
				31.03.2018	At the end of the year	-	-	13,200	0.00

* Part of Promoter Group

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	33,22,45,379	12.28					33,22,45,379	12.28
				07.04.2017	Sale of Shares	-36,00,000	-0.13	32,86,45,379	12.15
				14.04.2017	Sale of Shares	-15,00,000	-0.06	32,71,45,379	12.10
				21.04.2017	Sale of Shares	-55,932	0.00	32,70,89,447	12.09
				28.04.2017	Sale of Shares	-4,06,392	-0.02	32,66,83,055	12.08
				29.11.2017	Sale of Shares	-800	0.00	32,66,82,255	12.08
				23.02.2018	Sale of Shares	-8,15,000	-0.03	32,58,67,255	12.05
				02.03.2018	Sale of Shares	-19,41,891	-0.07	32,39,25,364	11.98
				09.03.2018	Sale of Shares	-26,70,000	-0.10	32,12,55,364	11.88
				16.03.2018	Sale of Shares	-27,45,000	-0.10	31,85,10,364	11.78
				23.03.2018	Sale of Shares	-5,50,000	-0.02	31,79,60,364	11.76
				31.03.2018	**At the end of the year**	**-**	**-**	**31,79,60,364**	**11.76**
2	Matthews Pacific Tiger Fund	16,46,20,436	6.09					16,46,20,436	6.09
				23.02.2018	Purchase of Shares	21,90,834	0.08	16,68,11,270	6.17
				02.03.2018	Purchase of Shares	28,09,166	0.10	16,96,20,436	6.27
				16.03.2018	Purchase of Shares	23,10,500	0.09	17,19,30,936	6.36
				23.03.2018	Purchase of Shares	30,34,524	0.11	17,49,65,460	6.47
				30.03.2018	Purchase of Shares	29,84,132	0.11	17,79,49,592	6.58
				31.03.2018	**At the end of the year**	**-**	**-**	**17,79,49,592**	**6.58**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund	9,83,66,871	3.64					9,83,66,871	3.64
				06.10.2017	Purchase of Shares	14,65,293	0.05	9,98,32,164	3.69
				13.10.2017	Purchase of Shares	21,42,927	0.08	10,19,75,091	3.77
				20.10.2017	Purchase of Shares	3,30,129	0.01	10,23,05,220	3.78
				27.10.2017	Purchase of Shares	5,05,585	0.02	10,28,10,805	3.80
				17.11.2017	Purchase of Shares	1,25,580	0.00	10,29,36,385	3.81
				24.11.2017	Purchase of Shares	2,18,956	0.01	10,31,55,341	3.81
				16.03.2018	Purchase of Shares	4,76,497	0.02	10,36,31,838	3.83
				23.03.2018	Purchase of Shares	29,39,560	0.11	10,65,71,398	3.94
				30.03.2018	Purchase of Shares	12,33,353	0.05	10,78,04,751	3.99
				31.03.2018	**At the end of the year**	**-**	**-**	**10,78,04,751**	**3.99**
4	ICICI Prudential Balanced Fund	5,48,14,734	2.03					5,48,14,734	2.03
				07.04.2017	Sale of Shares	-6,101	0.00	5,48,08,633	2.03
				07.04.2017	Purchase of Shares	5,777	0.00	5,48,14,410	2.03
				14.04.2017	Purchase of Shares	1,10,91,109	0.41	6,59,05,519	2.44
				21.04.2017	Sale of Shares	-81,000	0.00	6,58,24,519	2.43
				21.04.2017	Purchase of Shares	1,06,61,003	0.39	7,64,85,522	2.83
				28.04.2017	Sale of Shares	-3,38,489	-0.01	7,61,47,033	2.82
				28.04.2017	Purchase of Shares	9,71,589	0.04	7,71,18,622	2.85
				05.05.2017	Purchase of Shares	19,00,083	0.07	7,90,18,705	2.92
				12.05.2017	Sale of Shares	-19,71,000	-0.07	7,70,47,705	2.85
				12.05.2017	Purchase of Shares	62,58,165	0.23	8,33,05,870	3.08
				19.05.2017	Sale of Shares	-14,725	0.00	8,32,91,145	3.08
				19.05.2017	Purchase of Shares	18,90,040	0.07	8,51,81,185	3.15
				26.05.2017	Sale of Shares	-15,30,000	-0.06	8,36,51,185	3.09
				26.05.2017	Purchase of Shares	92,54,106	0.34	9,29,05,291	3.43
				02.06.2017	Sale of Shares	-2,106	0.00	9,29,03,185	3.43
				02.06.2017	Purchase of Shares	67,85,822	0.25	9,96,89,007	3.69
				09.06.2017	Sale of Shares	-3,222	0.00	9,96,85,785	3.69
				09.06.2017	Purchase of Shares	31,93,759	0.12	10,28,79,544	3.80
				16.06.2017	Purchase of Shares	40,28,641	0.15	10,69,08,185	3.95
				23.06.2017	Sale of Shares	-1,26,000	0.00	10,67,82,185	3.95
				23.06.2017	Purchase of Shares	35,56,094	0.13	11,03,38,279	4.08
				30.06.2017	Sale of Shares	-649	0.00	11,03,37,630	4.08
				30.06.2017	Purchase of Shares	3,395	0.00	11,03,41,025	4.08
				07.07.2017	Sale of Shares	-2	0.00	11,03,41,023	4.08
				07.07.2017	Purchase of Shares	10,52,325	0.04	11,13,93,348	4.12
				14.07.2017	Sale of Shares	-1,517	0.00	11,13,91,831	4.12
				14.07.2017	Purchase of Shares	16,84,032	0.06	11,30,75,863	4.18
				21.07.2017	Sale of Shares	-6,212	0.00	11,30,69,651	4.18
				21.07.2017	Purchase of Shares	43,52,912	0.16	11,74,22,563	4.34
				28.07.2017	Sale of Shares	-120	0.00	11,74,22,443	4.34
				28.07.2017	Purchase of Shares	61,19,404	0.23	12,35,41,847	4.57

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				04.08.2017	Purchase of Shares	7,07,150	0.03	12,42,48,997	4.59
				11.08.2017	Sale of Shares	-523	0.00	12,42,48,474	4.59
				11.08.2017	Purchase of Shares	31,83,231	0.12	12,74,31,705	4.71
				16.08.2017	Purchase of Shares	35,52,755	0.13	13,09,84,460	4.84
				18.08.2017	Purchase of Shares	1,715	0.00	13,09,86,175	4.84
				23.08.2017	Purchase of Shares	14,77,663	0.05	13,24,63,838	4.90
				01.09.2017	Purchase of Shares	5,05,484	0.02	13,29,69,322	4.92
				08.09.2017	Sale of Shares	-245	0.00	13,29,69,077	4.92
				08.09.2017	Purchase of Shares	10,80,360	0.04	13,40,49,437	4.96
				15.09.2017	Sale of Shares	-60,86,528	-0.23	12,79,62,909	4.73
				15.09.2017	Purchase of Shares	2,135	0.00	12,79,65,044	4.73
				22.09.2017	Sale of Shares	-15,25,048	-0.06	12,64,39,996	4.67
				22.09.2017	Purchase of Shares	5,00,260	0.02	12,69,40,256	4.69
				29.09.2017	Sale of Shares	-7,29,745	-0.03	12,62,10,511	4.67
				29.09.2017	Purchase of Shares	9,065	0.00	12,62,19,576	4.67
				06.10.2017	Sale of Shares	-7,07,827	-0.03	12,55,11,749	4.64
				06.10.2017	Purchase of Shares	6,54,558	0.02	12,61,66,307	4.66
				13.10.2017	Sale of Shares	-3,90,449	-0.01	12,57,75,858	4.65
				13.10.2017	Purchase of Shares	13,609	0.00	12,57,89,467	4.65
				20.10.2017	Sale of Shares	-1,38,725	-0.01	12,56,50,742	4.65
				20.10.2017	Purchase of Shares	3,533	0.00	12,56,54,275	4.65
				27.10.2017	Sale of Shares	-2,20,011	-0.01	12,54,34,264	4.64
				27.10.2017	Purchase of Shares	29,28,091	0.11	12,83,62,355	4.75
				31.10.2017	Purchase of Shares	56,424	0.00	12,84,18,779	4.75
				03.11.2017	Sale of Shares	-1,56,335	-0.01	12,82,62,444	4.74
				03.11.2017	Purchase of Shares	82,295	0.00	12,83,44,739	4.75
				10.11.2017	Sale of Shares	-1,94,850	-0.01	12,81,49,889	4.74
				10.11.2017	Purchase of Shares	7,79,807	0.03	12,89,29,696	4.77
				17.11.2017	Sale of Shares	-13,56,006	-0.05	12,75,73,690	4.72
				17.11.2017	Purchase of Shares	6,882	0.00	12,75,80,572	4.72
				24.11.2017	Sale of Shares	-86,57,724	-0.32	11,89,22,848	4.40
				24.11.2017	Purchase of Shares	10,439	0.00	11,89,33,287	4.40
				01.12.2017	Sale of Shares	-63,54,372	-0.23	11,25,78,915	4.16
				01.12.2017	Purchase of Shares	11,72,082	0.04	11,37,50,997	4.21
				08.12.2017	Sale of Shares	-56,25,594	-0.21	10,81,25,403	4.00
				08.12.2017	Purchase of Shares	19,583	0.00	10,81,44,986	4.00
				15.12.2017	Sale of Shares	-51,58,837	-0.19	10,29,86,149	3.81
				15.12.2017	Purchase of Shares	15,736	0.00	10,30,01,885	3.81
				22.12.2017	Sale of Shares	-1,47,02,250	-0.54	8,82,99,635	3.26
				22.12.2017	Purchase of Shares	93,23,883	0.34	9,76,23,518	3.61
				29.12.2017	Sale of Shares	-49,81,754	-0.18	9,26,41,764	3.43
				29.12.2017	Purchase of Shares	31,49,950	0.12	9,57,91,714	3.54
				05.01.2018	Sale of Shares	-86,84,110	-0.32	8,71,07,604	3.22

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				05.01.2018	Purchase of Shares	19,38,900	0.07	8,90,46,504	3.29
				12.01.2018	Sale of Shares	-14,79,252	-0.05	8,75,67,252	3.24
				12.01.2018	Purchase of Shares	15,320	0.00	8,75,82,572	3.24
				19.01.2018	Purchase of Shares	5,767	0.00	8,75,88,339	3.24
				26.01.2018	Purchase of Shares	10,304	0.00	8,75,98,643	3.24
				02.02.2018	Sale of Shares	-43,83,000	-0.16	8,32,15,643	3.08
				02.02.2018	Purchase of Shares	2,378	0.00	8,32,18,021	3.08
				09.02.2018	Purchase of Shares	15,640	0.00	8,32,33,661	3.08
				16.02.2018	Purchase of Shares	1,157	0.00	8,32,34,818	3.08
				23.02.2018	Sale of Shares	-18,99,000	-0.07	8,13,35,818	3.01
				23.02.2018	Purchase of Shares	8,498	0.00	8,13,44,316	3.01
				02.03.2018	Purchase of Shares	13,080	0.00	8,13,57,396	3.01
				09.03.2018	Purchase of Shares	5,981	0.00	8,13,63,377	3.01
				16.03.2018	Purchase of Shares	1,85,508	0.01	8,15,48,885	3.01
				23.03.2018	Sale of Shares	-3,288	0.00	8,15,45,597	3.01
				23.03.2018	Purchase of Shares	5,855	0.00	8,15,51,452	3.02
				30.03.2018	Sale of Shares	-1,44,000	-0.01	8,14,07,452	3.01
				30.03.2018	Purchase of Shares	7,871	0.00	8,14,15,323	3.01
				31.03.2018	**At the end of the year**	-	-	**8,14,15,323**	**3.01**
5	The New India Assurance Company Limited	6,69,54,953	2.48					6,69,54,953	2.48
				16.03.2018	Sale of Shares	-9,50,000	-0.04	6,60,04,953	2.44
				23.03.2018	Sale of Shares	-1,25,218	0.00	6,58,79,735	2.44
				30.03.2018	Sale of Shares	-1,74,782	-0.01	6,57,04,953	2.43
				31.03.2018	**At the end of the year**	-	-	**6,57,04,953**	**2.43**
6	General Insurance Corporation of India	6,77,62,960	2.51					6,77,62,960	2.51
				07.07.2017	Sale of Shares	-90,000	0.00	6,76,72,960	2.50
				14.07.2017	Sale of Shares	-60,000	0.00	6,76,12,960	2.50
				01.12.2017	Sale of Shares	-4,00,000	-0.01	6,72,12,960	2.48
				08.12.2017	Sale of Shares	-1,50,000	-0.01	6,70,62,960	2.48
				22.12.2017	Sale of Shares	-7,00,000	-0.03	6,63,62,960	2.45
				19.01.2018	Sale of Shares	-1,50,000	-0.01	6,62,12,960	2.45
				02.03.2018	Sale of Shares	-6,50,000	-0.02	6,55,62,960	2.42
				31.03.2018	**At the end of the year**	-	-	**6,55,62,960**	**2.42**
7	Stewart Investors Global Emerging Markets Leaders Fund	3,28,12,816	1.21					3,28,12,816	1.21
				06.10.2017	Purchase of Shares	8,40,862	0.03	3,36,53,678	1.24
				13.10.2017	Purchase of Shares	12,29,721	0.05	3,48,83,399	1.29
				20.10.2017	Purchase of Shares	1,89,444	0.01	3,50,72,843	1.30
				27.10.2017	Purchase of Shares	2,90,131	0.01	3,53,62,974	1.31
				17.11.2017	Purchase of Shares	72,065	0.00	3,54,35,039	1.31
				24.11.2017	Purchase of Shares	1,25,648	0.00	3,55,60,687	1.31
				16.03.2018	Purchase of Shares	1,68,091	0.01	3,57,28,778	1.32
				23.03.2018	Purchase of Shares	10,36,970	0.04	3,67,65,748	1.36
				30.03.2018	Purchase of Shares	4,35,080	0.02	3,72,00,828	1.38
				31.03.2018	**At the end of the year**	-	-	**3,72,00,828**	**1.38**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	First State Investments Global Emerging Markets Leaders Fund, A Sub-Fund of The First State Investments Delaware Statutory Trust	1,87,24,731	0.69					1,87,24,731	0.69
				23.06.2017	Purchase of Shares	6,43,305	0.02	1,93,68,036	0.72
				30.06.2017	Purchase of Shares	12,18,569	0.05	2,05,86,605	0.76
				07.07.2017	Purchase of Shares	16,65,739	0.06	2,22,52,344	0.82
				14.07.2017	Purchase of Shares	3,69,631	0.01	2,26,21,975	0.84
				21.07.2017	Purchase of Shares	3,000	0.00	2,26,24,975	0.84
				28.07.2017	Purchase of Shares	21,01,919	0.08	2,47,26,894	0.91
				06.10.2017	Purchase of Shares	3,71,220	0.01	2,50,98,114	0.93
				13.10.2017	Purchase of Shares	5,42,894	0.02	2,56,41,008	0.95
				20.10.2017	Purchase of Shares	83,635	0.00	2,57,24,643	0.95
				27.10.2017	Purchase of Shares	1,28,086	0.00	2,58,52,729	0.96
				17.11.2017	Purchase of Shares	31,814	0.00	2,58,84,543	0.96
				24.11.2017	Purchase of Shares	55,471	0.00	2,59,40,014	0.96
				16.03.2018	Purchase of Shares	1,25,726	0.00	2,60,65,740	0.96
				23.03.2018	Purchase of Shares	7,75,621	0.03	2,68,41,361	0.99
				30.03.2018	Purchase of Shares	3,25,429	0.01	2,71,66,790	1.00
				31.03.2018	**At the end of the year**	**-**	**-**	**2,71,66,790**	**1.00**
9	First State Investments Icvc- Stewart Investors Asia Pacific Fund	0	0.00					0	0.00
				23.06.2017	Purchase of Shares	9,67,988	0.04	9,67,988	0.04
				30.06.2017	Purchase of Shares	18,33,590	0.07	28,01,578	0.10
				07.07.2017	Purchase of Shares	25,06,451	0.09	53,08,029	0.20
				14.07.2017	Purchase of Shares	5,56,185	0.02	58,64,214	0.22
				21.07.2017	Purchase of Shares	4,514	0.00	58,68,728	0.22
				28.07.2017	Purchase of Shares	31,62,776	0.12	90,31,504	0.33
				16.08.2017	Purchase of Shares	29,66,365	0.11	1,19,97,869	0.44
				18.08.2017	Purchase of Shares	4,77,434	0.02	1,24,75,303	0.46
				23.08.2017	Purchase of Shares	6,50,282	0.02	1,31,25,585	0.49
				25.08.2017	Purchase of Shares	2,91,639	0.01	1,34,17,224	0.50
				08.09.2017	Purchase of Shares	40,38,468	0.15	1,74,55,692	0.65
				27.10.2017	Purchase of Shares	1,12,772	0.00	1,75,68,464	0.65
				17.11.2017	Purchase of Shares	2,21,006	0.01	1,77,89,470	0.66
				24.11.2017	Purchase of Shares	3,85,335	0.01	1,81,74,805	0.67
				15.12.2017	Purchase of Shares	16,52,483	0.06	1,98,27,288	0.73
				22.12.2017	Purchase of Shares	18,86,968	0.07	2,17,14,256	0.80
				09.02.2018	Purchase of Shares	28,67,887	0.11	2,45,82,143	0.91
				16.03.2018	Purchase of Shares	1,38,017	0.01	2,47,20,160	0.91
				23.03.2018	Purchase of Shares	8,51,441	0.03	2,55,71,601	0.95
				30.03.2018	Purchase of Shares	3,57,239	0.01	2,59,28,840	0.96
				31.03.2018	**At the end of the year**	**-**	**-**	**2,59,28,840**	**0.96**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	1,75,85,183	0.65					1,75,85,183	0.65
				07.04.2017	Purchase of Shares	1,90,968	0.01	1,77,76,151	0.66
				28.04.2017	Purchase of Shares	17,520	0.00	1,77,93,671	0.66
				05.05.2017	Purchase of Shares	1,40,160	0.01	1,79,33,831	0.66
				12.05.2017	Purchase of Shares	43,800	0.00	1,79,77,631	0.66
				19.05.2017	Purchase of Shares	94,608	0.00	1,80,72,239	0.67
				02.06.2017	Purchase of Shares	38,544	0.00	1,81,10,783	0.67
				07.07.2017	Purchase of Shares	61,320	0.00	1,81,72,103	0.67
				14.07.2017	Purchase of Shares	43,800	0.00	1,82,15,903	0.67
				04.08.2017	Purchase of Shares	38,544	0.00	1,82,54,447	0.67
				11.08.2017	Purchase of Shares	50,808	0.00	1,83,05,255	0.68
				01.09.2017	Purchase of Shares	63,072	0.00	1,83,68,327	0.68
				08.09.2017	Purchase of Shares	89,352	0.00	1,84,57,679	0.68
				15.09.2017	Purchase of Shares	80,592	0.00	1,85,38,271	0.69
				06.10.2017	Purchase of Shares	52,560	0.00	1,85,90,831	0.69
				13.10.2017	Purchase of Shares	54,312	0.00	1,86,45,143	0.69
				20.10.2017	Purchase of Shares	40,296	0.00	1,86,85,439	0.69
				27.10.2017	Purchase of Shares	36,792	0.00	1,87,22,231	0.69
				22.12.2017	Sale of Shares	-23,738	0.00	1,86,98,493	0.69
				26.01.2018	Purchase of Shares	85,822	0.00	1,87,84,315	0.69
				02.02.2018	Purchase of Shares	76,692	0.00	1,88,61,007	0.70
				23.03.2018	Sale of Shares	-1,88,61,007	-0.70	0	0.00
				23.03.2018	Purchase of Shares	1,80,64,445	0.67	1,80,64,445	0.67
				30.03.2018	Sale of Shares	-89,000	0.00	1,79,75,445	0.66
				31.03.2018	**At the end of the year**	**-**	**-**	**1,79,75,445**	**0.66**
11	M Pallonji & Co. Pvt. Ltd.	2,54,57,313	0.94					2,54,57,313	0.94
				14.04.2017	Sale of Shares	-1,83,608	-0.01	2,52,73,705	0.93
				14.07.2017	Sale of Shares	-9,82,969	-0.04	2,42,90,736	0.90
				21.07.2017	Sale of Shares	-54,38,262	-0.20	1,88,52,474	0.70
				28.07.2017	Sale of Shares	-1,16,26,481	-0.43	72,25,993	0.27
				04.08.2017	Sale of Shares	-2,04,456	-0.01	70,21,537	0.26
				18.08.2017	Sale of Shares	-4,04,256	-0.01	66,17,281	0.24
				01.09.2017	Sale of Shares	-66,16,509	-0.24	772	0.00
				01.09.2017	Purchase of Shares	36,16,509	0.13	36,17,281	0.13
				22.09.2017	Purchase of Shares	19,96,563	0.07	56,13,844	0.21
				31.10.2017	Sale of Shares	-5,00,000	-0.02	51,13,844	0.19
				03.11.2017	Sale of Shares	-15,00,000	-0.06	36,13,844	0.13
				10.11.2017	Sale of Shares	-10,00,000	-0.04	26,13,844	0.10
				24.11.2017	Sale of Shares	-15,00,000	-0.06	11,13,844	0.04
				01.12.2017	Sale of Shares	-5,00,000	-0.02	6,13,844	0.02
				15.12.2017	Purchase of Shares	10,03,437	0.04	16,17,281	0.06
				31.03.2018	**At the end of the year**	**-**	**-**	**16,17,281**	**0.06**

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

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. N. Chandrasekaran	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
2	Mr. Nawshir H. Mirza	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
3	Mr. Deepak M. Satwalekar	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
4	Ms. Anjali Bansal	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
5	Ms. Vibha Padalkar	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
6	Mr. Sanjay V. Bhandarkar	16,262	0					16,262	0.00
				-	No change	0	0.00	16,262	0.00
				31.03.2018	At the end of the year	-	-	16,262	0.00
7	Mr. K. M. Chandrasekhar	0	0.00					0	0.00
	(w.e.f. 04.05.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
8	Mr. Hemant Bhargava	0	0.00					0	0.00
	(w.e.f. 24.08.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
9	Mr. Saurabh Agrawal	0	0.00					0	0.00
	(w.e.f. 17.11.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
10	Mr. Banmali Agrawala	0	0					0	0.00
	(w.e.f. 17.11.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
11	Mr. Anil Sardana,	0	0.00					0	0.00
	CEO & Managing Director			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
12	Mr. Ashok S. Sethi,	20,600	0.00					20,600	0.00
	COO & Executive Director			-	No change	0	0.00	20,600	0.00
				31.03.2018	At the end of the year	-	-	20,600	0.00
13	Dr. Homiar S. Vachha	0	0.00					0	0.00
	(upto 22.04.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
14	Mr. Pravin H. Kutumbe	0	0.00					0	0.00
	(upto 20.05.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
15	Mr. S. Padmanabhan	0	0.00					0	0.00
	(upto 16.11.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
16	Ms. Sandhya S. Kudtarkar	0	0.00					0	0.00
	(upto 16.11.2017)			-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	Mr. Ramesh N. Subramanyam, Chief Financial Officer	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
18	Mr. Hanoz M. Mistry, Company Secretary	18,445	0.00					18,445	0.00
				-	No change	0	0.00	18,445	0.00
				31.03.2018	At the end of the year	-	-	18,445	0.00

V. INDEBTEDNESS

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

Figures in ₹ crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,089.83	10,413.82	0.03	16,503.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83.41	313.46	-	396.87
Total (i+ii+iii)	**6,173.24**	**10,727.28**	**0.03**	**16,900.55**
Change in Indebtedness during the financial year				
• Addition	911.50	12,682.85	-	13,594.35
• Reduction	680.25	12,371.12	-	13,051.37
Net Change	**231.25**	**311.73**	**-**	**542.98**
Indebtedness at the end of the financial year				
i) Principal Amount	6,331.01	10,803.65	0.03	17,134.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	73.48	235.36	-	308.84
Total (i + ii + iii)	**6,404.49**	**11,039.01**	**0.03**	**17,443.53**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Anil Sardana, CEO & Managing Director	Mr. Ashok S. Sethi, COO & Executive Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	2,67,32,506 7,01,351 Nil	1,68,72,167 1,11,870 Nil	4,36,04,673 8,13,221 Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission – as % of profit – others, specify... (performance based)	- &6,50,00,000	- &1,90,00,000	- &8,40,00,000
5.	Others, Retirement Benefits	29,97,000	7,92,000	37,89,000
	Total (A)	**9,54,30,857**	**3,67,76,037**	**13,22,06,894**
	Ceiling as per Act (@ 10% of profit calculated under Section 198 of the Companies Act, 2013)			₹ 73.54 crore

& Commission relates to the financial year ended 31st March 2018, which will be paid during FY19.

B. Remuneration to other directors:

(₹)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board/ committee meetings*	Commission payable for FY18&	Others, please specify	
I.	**Independent Directors**				
1.	Mr. N. H. Mirza	7,20,000	95,50,000	Nil	1,02,70,000
2.	Mr. D. M. Satwalekar	6,90,000	81,00,000	Nil	87,90,000
3.	Ms. Anjali Bansal	5,70,000	40,00,000	Nil	45,70,000
4.	Ms. Vibha Padalkar	7,20,000	40,00,000	Nil	47,20,000
5.	Mr. S. V. Bhandarkar	7,20,000	43,00,000	Nil	50,20,000
6.	Mr. K. M. Chandrasekhar (w.e.f. 04.05.2017)	2,70,000	18,00,000	Nil	20,70,000
7.	Dr. H. S. Vachha (upto 22.04.2017) $	Nil	Nil	Nil	Nil
	Total (I)	**36,90,000**	**3,17,50,000**	**Nil**	**3,54,40,000**
II.	**Other Non-Executive Directors**				
1.	Mr. N. Chandrasekaran	4,50,000	Nil ^	Nil	4,50,000
2.	Mr. Hemant Bhargava (w.e.f. 24.08.2017) @	1,50,000	11,00,000	Nil	12,50,000
3.	Mr. Saurabh Agrawal (w.e.f. 17.11.2017)	2,10,000	Nil #	Nil	2,10,000
4.	Mr. Banmali Agrawala (w.e.f. 17.11.2017)	1,50,000	Nil #	Nil	1,50,000
5.	Mr. P. H. Kutumbe (upto 20.05.2017) @	30,000	1,50,000	Nil	1,80,000
6.	Mr. S. Padmanabhan (upto 16.11.2017)	3,90,000	Nil #	Nil	3,90,000
7.	Ms. S. S. Kudtarkar (upto 16.11.2017)	1,50,000	Nil #	Nil	1,50,000
	Total (II)	**15,30,000**	**12,50,000**	**Nil**	**27,80,000**
	Total Managerial Remuneration (I + II)	**52,20,000**	**3,30,00,000**	**Nil**	**3,82,20,000**
	Ceiling as per Act (@ 1% of profit calculated under Section 198 of the Companies Act, 2013)				₹ 7.35 crore

* Excludes service tax

& Commission relates to the financial year ended 31st March 2018, which will be paid to the eligible Directors during FY19.

$ Dr. H. S. Vachha has not attended any meeting during FY18 and hence, not paid any Sitting Fees or Commission.

@ The Sitting Fees for attending meetings and the Commission was paid to LIC.

^ As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving Commission from the Company.

\# In line with internal guidelines of the Company, no payment is made towards Commission to the NEDs of the Company, who are in full time employment with any other Tata company.

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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. R. N. Subramanyam, Chief Financial Officer	Mr. H. M. Mistry, Company Secretary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	 * 2,08,47,432 92,80,035 Nil	 * 93,31,904 3,35,972 Nil	 * 3,01,79,336 96,16,007 Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission – as % of profit – others	Nil	Nil	Nil
5.	Others, Retirement Benefits	7,42,887	8,11,199	15,54,086
	Total	**3,08,70,354**	**1,04,79,075**	**4,13,49,429**

* Includes Performance Pay for FY17 paid in FY18.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 2nd May 2018

ANNEXURE – IX : SECRETARIAL AUDIT REPORT

(Ref.: Board's Report, Section 26)

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

The Tata Power Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Tata Power Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

(ii) The Securities Contract (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other industry specific laws applicable to the Company are as follows:

- (a) The Electricity Act, 2003
- (b) The Indian Electricity Rules, 1956
- (c) The rules, regulations and applicable order(s) under Central and State Electricity Regulatory Commissions/Authority
- (d) The Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes of the meetings.

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

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Issue of privately placed non-convertible debentures aggregating ₹ 1,500 crore, under Sections 42 and 71 of the Act.
2. Part redemption of three Series of Non-Convertible Debentures (NCDs) aggregating ₹ 1,666 crore.
3. Redemption of one Series of Non-Convertible Debentures aggregating ₹ 1,000 crore.
4. The Board of Directors approved sale of 59,08,82,000 Equity Shares held in Panatone Finvest Limited to Tata Sons Limited and 1,33,96,200 Equity Shares held in Tata Communication Limited to Panatone Finvest Limited.
5. The Board of Directors approved sale of Strategic Engineering Division of the Company to Tata Advanced Systems Limited (a wholly owned subsidiary of Tata Sons Limited and a related party of the Company) as a 'going concern' on a slump sale basis.
6. With regards to ongoing demerger of renewable assets of the Company, the Company has conducted NCLT convened shareholders' meeting and filed the petition with NCLT for approval of the scheme. The matter is pending for final hearing.

For Parikh & Associates
Company Secretaries

P. N. Parikh

Place: Mumbai — **Partner**

Date: May 02, 2018 — FCS No: 327 CP No: 1228

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

ANNEXURE 'A'

To,

The Members,

The Tata Power Company Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh

Place: Mumbai — **Partner**

Date: May 02, 2018 — FCS No: 327 CP No: 1228

MANAGEMENT DISCUSSION & ANALYSIS

1. STRATEGIC FOCUS OF TATA POWER

Your Company is an integrated player across the value chain of power business allowing it to capitalize on market opportunities in all segments. The key growth areas for the Company have been identified in generation capacity with a focus on renewables, transmission, distribution and new & value added businesses.

With a proactive view on India's national commitments and keeping in mind the vision of Tata Group's founder to provide reliable, affordable and clean power, your Company, as part of its Strategic Intent 2025, plans to maintain a portfolio of options spread across its focus geographies for its generation mix and also plans to have 40-50% of its generation capacity from non-fossil fuel based sources (renewable and hydropower) by 2025, thus going beyond the national goals for clean power generation.

Fig 1 - Tata Power's Strategic Intent 2025

The Company has been making efforts to simplify, synergize and scale up its businesses in order to maximize value for its stakeholders:

- Simplify: The Company is making efforts to simplify its structure by reducing the number of entities and cross holdings. The Company will build focus on few but important growth areas and evaluate exiting sub-scale assets/non-core investments. This will help the Company respond and react faster and bring agility.
- Synergize: The Company will leverage its internal competencies by restructuring the organisation to gear up for the future. Further, the Company will seek to capitalize on the synergies existing within the Tata group to support its strategic plans. Your Company is privileged to have a large and unique ecosystem to leverage ideas, knowledge, expertise and scale as well as work together to create disruptions.
- Scale: The Company has a presence in many areas of the energy value chain which have potential to scale. Some of them present a significant opportunity for growth where the Company will look to scale-up through investment, consolidation and collaboration. To unlock this growth, your Company will take measures to reduce debt on the balance sheet and re-organise businesses.

Divestment from non-core areas & improvement in leverage ratios

Considering the fact that the Company is looking for significant growth in the years ahead, mobilization of resources is a critical activity. One source for such mobilisation is divestment of investments that are not core to power and allied areas of your Company's operations. The Company would continue to evaluate its investments in the non-core businesses and depending on market situation and opportunity, divest them at an appropriate juncture.

These initiatives will be undertaken with the objective of achieving an optimum Debt-to-Equity and Debt-to-EBITDA ratio while at the same time providing enough headroom for capitalising on growth opportunities. Your Company is actively pursuing steps needed to achieve this objective in a time-bound manner.

2. INDUSTRY DEVELOPMENTS

The 2018 Global Economics Prospect (GEP) released by the World Bank projects that India's GDP will grow by 7.3% in 2018-19 and by 7.5% for the next two years. Also, according to the Central Electricity Authority (CEA), the electricity demand in the country will grow at 7.1% (CAGR) between FY17 and FY22, driven primarily by industrial demand which is expected to pick up owing to the 'Make in India' initiative of the Government.

Further, the demand is expected to increase on account of rural households which do not have access to power today. It is estimated that about 18% of the rural households (source: Saubhagya dashboard published by Ministry of Power (MoP)) in India do not have access to power. At an all-India level, the country's per capita consumption at ~1100 kWh/year is much lower than the global average of~3200 kWh/year (as per World Bank in 2014).

There is a substantial government push to establish renewable power generation capacity to meet the 175 GW target by 2022. There have been aggressive bids in the recent auctions to develop new renewable power projects. India's solar tariffs have dropped by as much as 40% to ₹ 2.44/unit in FY18 as compared to ₹ 4.3/unit in FY15. At the same time, coal being an abundant resource in India, is expected to remain a significant fuel source in the country's quest for providing power to all.

The market structure can undergo long-term changes on account of technological advancements such as the introduction of utility-scale storage systems and higher proliferation of distributed generation resources like rooftop solar.

2.1. GENERATION

The installed generating capacity in the country as on 31st March 2018, was 336 GW. This does not include nearly 60 to 90 GW of captive generation capacity. Grid connected capacity addition during FY18 was 20 GW as compared to 17 GW during the previous financial year.

The generation portfolio mix continued to increase in renewable-based capacities. The rapid increase in renewables along with energy efficiency drive led by Energy Efficiency Services Limited (EESL) has had an impact of ~7.6 GW reduction in the peak demand and has led to lower plant utilization for thermal generating stations.

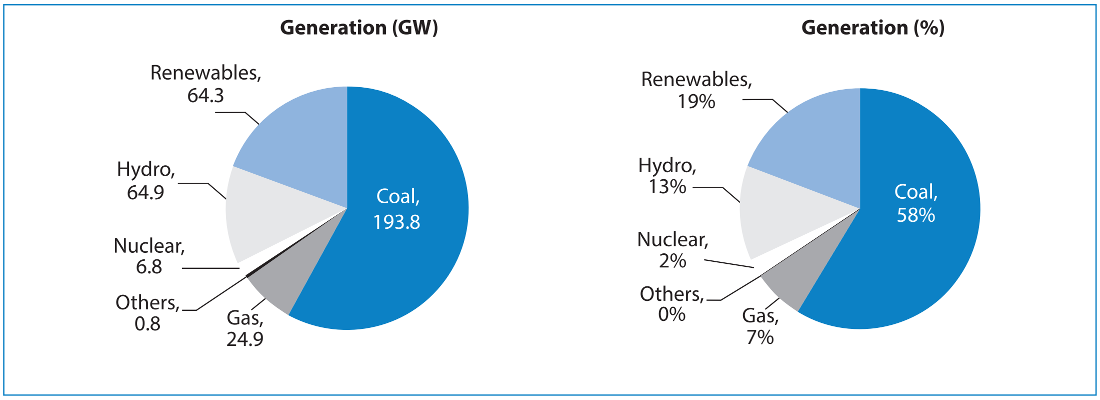


Fig 2 - India Generation Mix (in GW) and Share by Generation Source, as of 31st March, 2018 (Source: MoP, GoI, CEA)

2.2. FUEL

Coal produced by Coal India Limited (CIL) and its subsidiaries was 567.34 MT in FY18 against 537.01 MT in FY17, reflecting a 5.64% year-on-year growth. However, constraints in logistics remain a challenge for supporting further growth in domestic coal production.

Coal imports for FY18 were higher compared to FY17 despite an increase in international coal prices. The global coal prices have risen from nearly USD 82/MT (Newcastle FOB) last year to as much as USD 110/ MT in February 2018. The increase in the coal price is despite the growing global trend of moving away from coal-based generation.

The availability of natural gas remains a significant challenge. Although there has been growing acceptability of gas-based generation due to environmental considerations, the growth remains stagnant due to limited availability of natural gas.

2.3. TRANSMISSION

The backbone transmission system in India is mainly through 400 kV AC and 220 kV AC networks, with the highest transmission voltage level being 800 kV (HVDC). Total transmission lines capacity increased to nearly 3.9 lakh Ckms in FY18, reflecting an increase of about 23,119 Ckms over the previous year.

The inter-regional capacity, as in April 2018, was 86,450 MW.

2.4. DISTRIBUTION

The financial health of state electricity utilities in retail distribution continues to remain the most critical issue for the sector's viability. To resolve the challenge in the distribution business, the Government of India launched the Ujwal DISCOM Assurance Yojna (UDAY) to reduce the financial burden on state DISCOMs by transferring 75% of accumulated losses/debts of the DISCOM to the state. The scheme also targets the reduction of AT&C losses thereby reducing leakages in the system. As of 31st March,2018, 32 states and UTs have signed up for UDAY and bonds for more than ₹ 2.32 lakh crore have been issued by the state governments and tariff revisions have happened in 25 states/UTs since the beginning of the scheme. The progress on the reduction of AT&C losses has been slow, with the total AT&C loss nearing 21.50% for the participating states. (Source: www.uday.gov.in)

As part of the proposed amendments to the EA 2003, separation of the wires and supply businesses is envisaged. This is expected to increase competition in the supply sector, though reliability of wires and network remaining with the incumbent distribution company could continue to pose challenges. However, the process of amendment has slowed down and may not find favour amongst states. At the same time, many of the state discoms have started to look at distribution franchisee route to enhance the efficiency of local discom in certain urban areas.

2.5. POWER TRADING

Around 127 Billion Units (BUs) of electricity were traded in the short-term power market during FY18, as compared to a total of 119.23 BUs traded during FY17, accounting for around 10.59% of the total generation. Out of this, about 22.5% of trading took place using power exchange platforms. The trading margins were under immense pressure due to high competition amongst traders. The competition grew fierce due to an increase in the number of CERC licensed traders from 11 in FY05 to 43 in FY18.

At ₹ 3.25 per unit, the average clearing price for spot markets in FY18 increased by 34.81% as compared to the previous fiscal. The increase in spot price is largely attributable to lack of availability of coal, increase in demand and outage of various thermal power plants due to various reasons.

2.6. REGULATORY AND POLICY DEVELOPMENTS

Regulatory and policy reforms in the sector are critical given the current challenges across the value chain. The following are some of the important regulatory and policy changes in FY18:

Renewables

- **Waiver of transmission charges and losses on power from solar and wind power plants**

  The Ministry of Power has waived the levy of inter-state transmission charges and losses on transmission of electricity through the inter-state transmission system for wind and solar projects commissioned till 31st March, 2022.

- **Guidelines for Tariff Based Competitive Bidding process for procurement of power from wind and solar PV projects**

  The Ministry of New and Renewable Energy (MNRE), Government of India, has issued new guidelines for tariff-based competitive bidding process for procurement of power from grid connected solar PV power projects and wind power projects respectively with an objective of introducing competitive bidding to promote competitive procurement of electricity by distribution licensees.

Thermal

- **SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India)**

  The Cabinet Committee on Economic Affairs approved SHAKTI scheme for allocation of coal linkages for power sector based on auction or through Power Purchase Agreement (PPA) based on competitive bidding of tariffs.

- **Methodology for auction of coal mines/ blocks for commercial mining**

  The Cabinet Committee on Economic Affairs has approved the methodology for auction of coal mines/blocks for sale of coal. This opens the coal sector to commercial mining by private sector.

Transmission & Distribution

- **Launch of SAUBHAGYA – Pradhan Mantri Sahaj Bijli Har Ghar Yojana**

  The scheme was launched with a total outlay of ₹ 16,320 crore. The objective of the scheme is to provide last mile connectivity and electricity connections to all households in rural and urban areas. It is expected to increase the demand for power in the country and, thereby, increase the utilisation of generation assets.

2.7. GLOBAL POWER SECTOR

The global energy landscape has been going through a transformation due to falling costs of renewable energy equipment. Since 2010, the costs of new solar PV solutions have come down by over 70% and for wind solutions by an estimated 25%. This has led to a growing trend of decarbonisation with rapid deployment of renewable resources across the globe. A move towards cleaner energy mix and a service-oriented economy is being witnessed in major energy consuming nations like China, US and India. The world is also rapidly electrifying implying that an increasing number of other sources of energy, such as oil and gas, are being replaced by electricity.

In the global context, with energy self-sufficiency in the United States, its LNG exports are accelerating a shift towards a large global gas market. EU is the only region globally where both demand and supply of primary energy is expected to decline, and power is the only growth sector in Europe's energy outlook. It is projected that by 2035, renewables would account for 40% of EU's power generation mix.

In Southern Africa, the Southern African Development Community (SADC) currently has an operating capacity of 47 GW against a demand of over 50 GW, resulting in a deficit. To overcome this deficit, investments in new generation assets and international transmission lines are already underway.

The Middle East is dominated by oil rich countries that have been impacted by the decline in prices of oil and gas and US based shale becoming a viable substitute thereby forcing them to look beyond conventional sources of energy and, therefore, evolve their energy mix. The region has witnessed large investments in renewables driving some of the cheapest solar and onshore wind projects anywhere in the world. North African nations such as Egypt, Algeria, Tunisia and Morocco have also invested heavily in renewable energy projects.

South-East Asia has been witnessing a rapid growth in its energy demand which has grown by over 60% in the past 15 years. Even with the different nations in the region being at different stages of development, only 10% of the population is currently without electricity access and universal access to electricity is expected to be achieved by early 2030s. While there has been a growing emphasis on renewables, the surging power demand and abundance of thermal fuel has meant that a substantial share of investments is still in thermal plants.

There is a growing adoption of electric vehicles (EVs) globally and the same is expected to put further pressure on oil prices. With the growth in number of electric vehicles, the EV charging infrastructure has grown rapidly too. The global annual growth rate of publicly available charging solutions was 72% in 2016, which was higher than the growth in EV stock which was at 60% for the year. China has taken the lead in adoption of EVs accounting for more than 40% of the EVs sold globally and in 2016 became the country with highest EVs on the road.

At the same time, the trend of decentralised energy generation, spurred by a sharp decrease in costs of distributed energy resources, is gaining prominence. This trend is being supported by the advent of digitalisation technologies which increasingly allow devices across the grid to communicate and provide data useful for customers and for grid management and operation.

The global energy shifts are leading to the gradual blurring of the lines between consumers and producers. There is large scale integration of grids between nations to enable cross border electricity trading. Asia is expected to power the growth engine with China leading the growth.

All the aforementioned factors, coupled with the need for affordable, sustainable and modern energy systems, is shaping the global power sector.

3. OPPORTUNITIES AND OUTLOOK

The Indian market continues to remain the primary focus of business for your Company. Currently, 4.9% (530 MW) of your Company's generation capacity is based in international geographies with another 187 MW under execution. As mentioned earlier in the Strategic Intent, the Company has plans to grow in the areas of Renewable Generation, T&D and New & Value Added Businesses.

- **Renewable Generation**

  Your Company has refrained from taking undue risks of making aggressive bids, as it is expected that there would be sufficient growth opportunities (both organic and inorganic) in the future, with a more reasonable and acceptable risk profile.

- **Transmission**

  Your Company continuously pursues the expansion of its transmission network in the Mumbai and Delhi License Areas. It also keenly tracks any growth opportunities in the transmission sector and reviews each such opportunity for risks and rewards. The Company shall also pursue viable M&A opportunities through its investment platform.

- **Distribution**

  With growing focus on improving the state of distribution business, some states have been adopting an input based Distribution Franchisee (DF) model. The Company constantly evaluates such opportunities. The Company continues to track developments with respect to amendments to EA, 2003, which might create opportunities in the electricity supply business.

- **New and Value Added Businesses**

  The Company is looking at scaling up its value-added businesses, i.e., businesses with little or no capital investment (power trading, O&M services, solar EPC), and is also evaluating opportunities in emerging business areas such as Decentralized Distributed Generation (DDG), rooftop solar, utility-scale storage solutions and battery charging solutions for electric vehicles. In August 2017, Tata Power installed Mumbai's first EV charging station at Vikhroli, Mumbai. This was followed up by further installations which helped make the city 'EV Ready' for the future. The Company also intends to pursue opportunities for putting up charging facilities across India to cater to future demand from EVs.

4. RISKS AND CONCERNS

Tata Power is faced with risks of different varieties, all of which need different approaches for mitigation:

- Risks common to several players in the sector and country of operation.
- Risks very specific to the Company due to the way its businesses/operations are structured.
- Disaster Management and Business Continuity risks which are by nature, rare, but are events with dramatic impact.

The key risks and concerns facing the Power sector in India are as follows:

- Regulatory orders to address climate change can adversely affect valuations of coal-based power stations.

- Infrastructure constraints such as domestic coal output, bottlenecks in rail logistics and port capacity may affect the transportation of coal.
- Though renewables are welcome from an environment perspective, a rapid expansion could be at the cost of thermal capacity utilization, thus adding net fixed costs to the system which is already overstretched.
- The pace of economic growth may slow down leading to lower growth in demand for power in India.
- The poor financial health of state discoms continues to be a factor that impedes the growth of the sector.
- Slowdown in the pace of regulatory reforms in the country may affect renewables scale-up, revision of Standard Bidding Documents, amendments to Electricity Act, etc.
- The imposition of export restrictions or levy of taxes by energy exporting countries could make the cost of imported energy into India more expensive and unattractive.
- Shortage of domestic gas and expensive LNG imports affects the financial viability of gas-based power plants.
- Delays in land acquisition, environmental clearances and other approvals remain an area of concern. Lack of water is another threat to the capacity addition plans.
- The availability of cost-effective capital for funding of new projects could be a cause of concern given banks' current exposure to power sector and stranded assets, which may result in NPAs.
- Application of new environment norms without appropriate reforms on the regulatory side to offset the commercial implications of the cost of implementation.
- Cyber Security risk which is affecting various sectors in the world.

The key risks and concerns specific to your Company are as follows:

- Availability of cheaper coal sourcing options for CGPL to contain under-recovery.
- Risks in Mumbai generation business due to expiration of PPA in 2018 (presently, an extension has been obtained for one more year upto March 2019).
- Risks in Mumbai business due to frequently changing regulatory directions in respect of the distribution business.
- Volatility in exchange rates and coal prices affecting the valuations of coal mines.
- Civil society's concern regarding emissions and water, thus putting pressure on existing generating assets.
- Balancing growth with the right balance sheet leverage.
- Sub-scale, one-off and high-risk investments.
- Delay in sale of non-core investments.

For the Company's foray in the domestic and international markets, adequate assessment of the risks and returns associated with each investment has been carried out and appropriate mitigation measures have been put in place.

The British Standards Institution (BSI) had done an audit and awarded ISO 22301:2012 - Societal Security and Business Continuity Management System to Tata Power and its major subsidiaries viz CGPL, MPL, TPDDL, TPTCL, TPSSL, TPREL, PTL, CTTL and IEL. In FY16, your Company had further combined its Business Continuity and Disaster Management Plans which had been audited by BSI before awarding the ISO 22301:2012 certification. This year, Tata Power Group's external ISO assessment is scheduled for July 2018.

5. OPERATIONAL PERFORMANCE

Consolidated operations of Tata Power are categorized into two segments: Power and Others. Report on the performance and financial position of each of the subsidiaries, joint ventures and associate companies has been provided in Form AOC-1.

The Company's business is primarily driven by strong performance by regulated businesses, renewables and cost optimization. The large section of the portfolio being under the regulated framework demonstrates the strong and reliable fundamentals of the Company's finances. Also, the balance between regulated return businesses and market-linked businesses in the Company's portfolio aids the Company in capitalising on favourable market conditions while ensuring stable returns.

Highlights of operational performance of key entities are listed below:

5.1. RENEWABLES

The numbers below demonstrate the overall renewable portfolio of the Company which includes TPREL, WREL and Tata Power Standalone assets.

(Table 1)

Particulars	FY18	FY17
Installed Capacity (MW)	2,064	1,838
Generation Sales (MUs)	3,238	2,133
Gross Revenue (₹ crore)	1,994	1,288
EBIDTA (₹ crore)	1,777*	1,129
PAT (₹ crore)	293	390**
Assets Deployed (₹ crore)	12,823	11,205
Debt (₹ crore)	9,221	8,459
Equity*** (₹ crore)	5,857	5,460

** EBITDA including TPSSL is ₹ 1942 cr (₹1332 cr PY)*

***FY17 PAT for Tata Power Standalone assets includes ₹ 226 cr deferred tax credit*

****Tata Power Standalone assets invested equity has been considered*

5.1.1. TATA POWER RENEWABLE ENERGY LIMITED - TPREL (675 MW)

Type of entity: Wholly owned subsidiary *(Table 2)*

Particulars	FY18	FY17
Generation Sales (MUs)	916	533
Net sales (₹ crore)	530	354
PAT (₹ crore)	196	66

The company's higher Revenue and PAT was due to addition of new wind and solar capacity during the year, as well as stabilisation of capacities added in the previous year. New capacity was added during the year through 25 MW solar plant at Charanka (Gujarat), 30 MW solar plant at Palaswadi (Maharashtra), 150 MW solar plant at Pavagada Solar Park (Karnataka). The year also saw 21 MW addition of Vagarai Windfarm Ltd. wherein power sale is done through group captive mechanism.

The overall commissioned capacity at the end of FY18 was 675 MW which also includes Vagarai Windfarm Ltd. and Indo Rama Renewables Jath Ltd. (30 MW). The carving out of 379 MW renewable energy assets from Tata Power to TPREL through NCLT approved process also made significant progress during the year.

5.1.1.1. WALWHAN RENEWABLE ENERGY LIMITED -WREL (1,010 MW)

Type of entity: Wholly owned subsidiary (through TPREL)

WREL is now a fully owned subsidiary of TPREL and has one of the largest operating solar portfolios spread across India. It has an operating capacity of 1010 MW, out of which 864 MW is solar and 146 MW is wind power. A major part of the capacity is in Tamil Nadu, followed by Rajasthan, Madhya Pradesh, Karnataka and Andhra Pradesh.

Operating Performance

The integration of WREL is now complete. The net generation achieved by WREL in FY18 was 1,677 MUs.

Financial Performance *(Table 3)*

Particulars	FY18	FY17*
Generation Sales (MUs)	1,677	879
Net sales (₹ crore)	1,187	634
PAT (₹ crore)	232	106

**from Sept'17 onwards (post-acquisition)*

WREL has achieved a total revenue of ₹ 1,187 crore and a PAT of ₹ 232 crore for FY18. A substantial portion of the existing debt has been replaced with lower cost borrowings.

5.1.2. TATA POWER SOLAR SYSTEMS LIMITED – TPSSL

Type of entity: Wholly owned subsidiary *(Table (4)*

Particulars	FY18	FY17
Net sales (₹ crore)	2,749	2,261
PAT (₹ crore)	100	78

During the year, the company achieved highest ever revenues and net profit. The company executed and commissioned several large projects across multiple states and delivered rooftop projects across the country leading to the growth in the top line and bottom line.

Operations

In the financial year, the company worked on 1 GW of projects across utility-scale and rooftop solar domain resulting in commissioning of the largest ever quantum of over 700 MWp projects and 300 MWp of projects are still under execution.

The company also achieved a significant milestone in its exports business and recorded export revenue of over ₹ 200 crore.

TPSSL further fortified its manufacturing capabilities this year and produced over 220 MW cells and 300 MW of modules - a record high in the history of the company.

5.1.3. RENEWABLES DIVISION ON THE BALANCE-SHEET OF THE PARENT COMPANY (379 MW)

Type of entity: Division *(Table 5)*

Particulars	FY18	FY17
Generation Sales (MUs)	645	720

The portfolio comprises of 376 MW of wind assets and 3 MW of solar assets at Mulshi. Compared to FY17, the wind speeds in FY18 were slower and hence, the average generation was affected. The said assets are being carved out from Tata Power to TPREL.

5.1.4. TATA POWER HYDROS (447 MW)

Type of entity: Division *(Table 6)*

Particulars	FY18	FY17
Generation Sales (MUs)	1,500	1,444

Generation was higher in FY18 than the previous year due to above normal rainfall in the hydro catchment area and above normal inflow of water into lakes. Lake levels have been maintained to meet the requirement of peak power till next monsoon (i.e. till June-July 2018). Availability for FY18 at 98.98% was marginally lower than previous year, at 99.71%, due to extended overhaul of BPSU unit for taking corrective measures.

5.2. CGPL, COAL AND INFRA COMPANIES

5.2.1. COASTAL GUJARAT POWER LIMITED - CGPL (4,150 MW)

Type of entity: Wholly owned subsidiary *(Table 7)*

Particulars	FY18	FY17
Generation Sales (MUs)	24,599	25,302
Net sales (₹ crore)	6,357	6,055
PAT (₹ crore)	(1,721)	(850)

Loss in FY18 was mainly due to increase in fuel prices, the under-recovery partly offset by lower O&M cost. Further, there is an impairment provision of ₹ 311 crore in FY18, due to revised tariff assumptions post 2038, which was not there in FY17. The said impairment has been reversed in the consolidated accounts.

Under-recovery of fuel cost is listed below: *(Table 8)*

Particulars	FY18	FY17
Total Revenue* (₹ crore)	6,357	6,055
EBITDA (₹ crore)	(70)	486
Fuel under-recovery**		
₹ crore	(2058)	(1515)
₹ per kWh	(0.84)	(0.60)

**Total Revenue consists of Revenue from Operations and Other Income*

***Consists of total coal cost under recovery (revenue net of coal costs), revenue includes UI revenue & supplementary revenue*

It is pertinent to note that decrease in EBIDTA and, consequently, PAT in CGPL is due to the sharp increase in coal prices in FY18. The Company continues to engage with the procuring states to find a solution for long-term viability of the plant.

The Company is making efforts to improve the profitability through initiatives like sourcing of low-cost coal from other geographies and financial restructuring to reduce the interest costs.

With a view to improve the cost structure of CGPL, your Company, during the year, was successful in securing a mining license to develop a coal mine in Russia via its wholly owned Russian subsidiary, Far Eastern Natural Resources LLC, through a competitive bidding process at a cost of USD 4.7 Million. The project is in evaluation stage.

Regulatory matters

Kindly refer to Section 8.1 of the Board's Report of this Annual Report for Regulatory and Legal updates pertaining to CGPL.

5.2.2. COAL & INFRASTRUCTURE COMPANIES

Your Company, through its subsidiaries, holds a 30% stake in PT Kaltim Prima Coal (KPC) and a 26% stake in PT Baramulti Suksessarana Tbk (BSSR), which are strategic assets to hedge imported coal price exposure at CGPL and form an important part of the supply chain for its coal off-take requirements.

Your Company has signed an agreement to sell its 30% stake in PT Arutmin Indonesia and associated companies in coal trading and infrastructure. The aggregate consideration for the stake is USD 400 million, subject to certain closing adjustments and restructuring actions. To date, the Company has received USD 110 million out of which USD 43 million is in cash and the balance is by way of receivables adjustment. Your Company is pursuing steps to conclude this transaction.

PT Kaltim Prima Coal, Indonesia *(Table 9)*

Particulars	FY18	FY17
Gross sales (₹ crore)	25,518	21,735
PAT (₹ crore)	3,632	1,549

The coal price realization for the year was USD 68/tonne as compared to USD 54/tonne in the previous year.

PT Baramulti Suksessarana Tbk, and PT Antang Gunung Meratus Indonesia *(Table 10)*

Particulars	FY18	FY17
Net sales (₹ crore)	2,554	1,887
PAT (₹ crore)	551	273

The production at the Indonesian thermal coal mining companies, viz. PT Kaltim Prima Coal, PT Baramulti Suksessarana Tbk. and PT Antang Gunung Meratus Indonesia during FY18 was 66 MT same as in FY17.

The status of infrastructure companies at Indonesia was as under:

PT Nusa Tambang Pratama, Indonesia *(Table 11)*

Particulars	FY18	FY17
Net sales (₹ crore)	1,021	868
PAT (₹ crore)	624	442

5.2.3. TRUST ENERGY RESOURCES PTE. LIMITED - TRUST ENERGY

Type of entity: Wholly owned subsidiary *(Table 12)*

Particulars	FY18	FY17
Net sales (₹ crore)	695	482
PAT (₹ crore)	200	190

Sales revenue increased primarily due to higher coal shipment volume and bunker prices.

All the 3 owned ships under Trust Energy maintained an overall availability of more than 99% with no major safety incidents. Coal shipments for Mundra Power Plant were performed as per plan in FY18 with combination of Capesize (180,000 DWT) and Newcastlemax (210,000 DWT) ships from various sources. The company continued to undertake several measures to improve the operating efficiencies and reduce operating expenditure. The ship operating expenses are benchmarks among peers in the industry as per an external agency study last year.

5.3. THERMAL GENERATION

5.3.1. MAITHON POWER LIMITED- MPL (1,050 MW)

Type of entity: Subsidiary (Tata Power: 74%, DVC: 26%) *(Table 13)*

Particulars	FY18	FY17
Generation Sales (MUs)	6,998	6,957
Net sales (₹ crore)	2,270	2,405
PAT (₹ crore)	182	256

PAT decrease was mainly due to adverse impact of tariff order for the periods between 2011 to 2017.

MPL maintained its strong financial position as evident by the ratings given by CARE and CRISIL for the long term (CARE AA) and short-term (CRISIL A1+) bank facilities. The Company successfully negotiated refinancing of its term loans amounting to ₹ 1304 crore at 8.5%. This has resulted in reduction of financing costs.

Awards and accolades received in FY18:

- SURAKSHA PURASKAR (Bronze trophy) as recognition award for Safety Performance from National Safety Council of India.
- CBIP Award for the 'Best Performing Utility in Thermal Power Sector'.
- Certification in new standards in ISO 9001:2015 and ISO 14001:2015.

5.3.2. INDUSTRIAL ENERGY LIMITED- IEL (375 MW)

Type of entity: Subsidiary (Tata Power: 74%, Tata Steel: 26%) (Joint Venture under Ind AS) *(Table 14)*

Particulars	FY18	FY17
Generation Sales (MUs)	2,366	2,230
Net sales (₹ crore)	373	539
PAT (₹ crore)	70	43

IEL operates a 120 MW tolling coal-based plant in Jojobera. It also operates a 120 MW co-generation plant (Power House #6) in Jamshedpur, inside the Tata Steel plant which is based on blast furnace and coke oven gas. 2 out of 3 units of 67.5 MW each of co-generation plant at Kalinganagar, Odisha, are also under operation by deploying production gases from Tata Steel's plant.

Net sales decreased due to tolling arrangement for Unit 5 (Jojobera) with Tata Steel. However, PAT increased due to Kalinganagar units 1 & 2 being operational throughout the year and COD of the Unit 3 Boiler in December 2017. The company will execute the third turbine of 67.5 MW co-generation plant at Kalinganagar, Odisha, based on discussions with Tata Steel for the phase two of the steel plant.

5.3.3. TROMBAY (1430 MW)

Type of entity: Division *(Table 15)*

Particulars	FY18	FY17
Generation Sales (MUs)	5,949	6,033

In FY18, the generation was lower than the previous year due to lower demand. However, plant availability at 96.19%, was better than previous year at 95.1%. Unit 5 & Unit 8 overhauling were successfully completed within the stipulated time frame. The plant has undertaken several operational improvement measures including reduction in auxiliary consumption, optimizing operational expenses and reducing store inventory etc. Trombay thermal power station has completed IMS surveillance audit for all four ISO standards.

5.3.4. JOJOBERA (428 MW)

Type of entity: Division *(Table 16)*

Particulars	FY18	FY17
Generation Sales (MUs)	2,702	2,564

Generation and plant availability (97.2%) was better than previous year (92.7%). The plant has undertaken certain improvement measures which have resulted in improvement in heat rate, reduction in auxiliary consumption, reduction in forced outage and improvement in specific raw water consumption.

5.3.5. HALDIA (120 MW)

Type of entity: Division *(Table 17)*

Particulars	FY18	FY17
Generation Sales (MUs)	712	717

Generation was marginally lower in FY18 compared to FY17 mainly due to outage of Unit-3 (30 MW) turbine for critical maintenance work at BHEL Hyderabad workshop. Plant availability was lower in FY18 (83%) compared to FY17 (97%).Meanwhile, the plant has undertaken certain improvement measures such as reduction in auxiliary power consumption.

5.4. TRANSMISSION

5.4.1. MUMBAI TRANSMISSION

- The Transmission assets, which are a part of the Mumbai License Area, had a grid availability of 99.48% as against the MERC norm of 98%. Availability was maintained at high levels by proactive actions taken based on preventive maintenance practices, effective condition monitoring and judicious planning and execution of planned outages.
- 110 kV GIS, 33 kV GIS and 250 MVA ICT has been commissioned along with station auxiliaries at Versova. This has increased transformation capacity by 75 MVA at 33 kV Voltage level and provided additional outlets to Discoms. This has also improved system reliability due to conversion from Air Insulated Switchgear (AIS) to Gas Insulated Switchgear (GIS) and change of unit system to conventional bus system.
- The Company organised special awareness programs during pre-monsoon, Ganapati festival and Sankranti season in the vicinity of High Tension (HT) lines in Mumbai, under its Jan Jagruti Abhiyaan initiative. The objective was to reduce electrical accidents that may be caused by unauthorized occupancy in areas which are close to high voltage transmission lines.
- Extra High Voltage Over-Head (EHV OH) line inspection using drones - a UAV (Unmanned Aerial vehicle) was deployed for the 1st time by your Company to inspect inaccessible transmission towers and lines.
- Use of Asset Tracking LoRA (Low Range) sensors helped in reducing the efforts required for tracking of assets movement. The solution comprises mounting a LoRA tracker on the asset which would periodically update its location on GIS through the LoRA network.
- 220 kV interconnection with R-Infra Transmission established by taking R-Infra's new 220 kV lines 1 & 2 from 220 kV R-Infra Saki R/S to 220 kV Tata Saki R/S in service on 17th March 2018.
- ~ 3000 no. of contract workmen across T&D were trained in TPSDI for different courses.

5.4.2. POWERLINKS TRANSMISSION LIMITED – PTL

Type of entity: Subsidiary (Tata Power: 51%, PGCIL: 49%) (Joint Venture under Ind AS) *(Table 18)*

Particulars	FY18	FY17
Net sales (₹ crore)	161	149
PAT (₹ crore)	125	196

PAT was higher in FY17 due to one-time MAT credit of ₹ 90 crores due to increase in tax utilization period from 10 to 15 years.

Operations

The availability of the lines was maintained at 99.83% for Eastern Region in FY18 (previous year availability stood at 99.30%) and 99.95% for Northern Region (previous year availability was 99.98%), as against the minimum stipulated availability of 98.5%.

5.5. DISTRIBUTION

5.5.1. MUMBAI DISTRIBUTION

The highlights of the Mumbai Distribution business are as follows:

- During FY18, 26,035 consumers were added and 4393 MUs were sold. With this, the total consumer base has reached 6,86,629.
- Digitalization of business processes and customer integration was achieved through initiatives like:
  - Roll out of 24x7 WhatsApp Services for handling queries and complaints of consumers.
  - 51.21% of TPC-D's payment collection is through RTGS and other electronic avenues. Incentive plans for E-Bill & NACH Registrations have been introduced.
  - Twitter handle of Tata Power Mumbai went LIVE from Call Centre on real time basis.
  - Online applications made live for various services e.g. Permanent disconnection, Advance bill payment, Meter testing, New connection application, NACH etc.
  - First electricity utility to introduce bill payments through Bharat Bill Payment Scheme (BBPS) and QR Codes.
  - Single click payment option through weblink incorporated in customer Email and SMS notification text sent to consumers.

5.5.2. TATA POWER DELHI DISTRIBUTION LIMITED - TPDDL

Type of entity: Subsidiary (Tata Power: 51%, Government of National Capital Territory (NCT) of Delhi: 49%)

(Table 19)

Particulars	FY18	FY17
Distribution Sales (MUs)	8,634	8,270
Net sales (₹ crore)#	6,930	6,599
PAT (₹ crore)	306*	262

**After considering provision of ₹ 53 crore for Rithala*

 # Includes rate regulatory income/(expenses)

Reduction in finance cost and increased volumes led to increase in PAT in FY18.

Operations:

In FY18, TPDDL had a registered base of 16.39 lakh consumers spanning across an area of 510 sq. km. in Northern and North-Western part of Delhi. The AT&C losses of TPDDL stood at 8.40% against 8.59% last year. TPDDL also met a peak demand of 1852 MW in FY18 vs 1791 MW in FY17. TPDDL, in its strive to enhance reliability, has been able to reduce the System Average Interruption Duration Index (SAIDI) to a level of 29.16 hours against 43 hours in previous financial year.

TPDDL attained Customer Happiness & Delight Index of 90% against 84% in the previous measurement (conducted once in two years) on account of strengthening the network to enhance power reliability and initiatives taken to ease the process of metering, billing and payment along with customer satisfaction initiatives. This is also reflected in reduction in complaints per 1000 by 6.5% from 15.76 to 14.72. TPDDL is one of the two participating power utilities from India in 'Ease of Doing Business Survey' conducted by World Bank. Under 'Getting New Connection' India's ranking has improved to 29 in 2018 from 137 in 2015. TPDDL has crossed a critical milestone of 650+ in its Tata Business Excellence Model (TBEM) Assessment in FY18 from 615 in FY16. With this, it has become the 3rd Tata Group Company to achieve this milestone of becoming 'Industry Leader'.

On the technology front, TPDDL has become the first utility in India to implement an upgraded version of GE SCADA- Advanced Distribution Management System (ADMS) which has been integrated with the latest version of GE GIS - Power Manager with real time synchronization to all assets in the field. Apart from this, TPDDL is developing jointly with Fujitsu on Advanced Data Analytics for improving reliability, reduce losses, customer service, resource optimization etc.

TPDDL has implemented (a) Power Quality Monitors to check and mitigate the challenges of voltage sags and harmonics in the network,(b) developed back-end application for Home Automation which can be integrated to universal Home Automations appliances, (c) Field Force Automation (FFA) for automation of Metering services and attending to complaints and (d) Smart Revenue Recovery Device (SMRD) for capturing real time updates, photographs etc., hence making the recovery process more effective.

TPDDL was assigned USTDA grant to develop the Regulatory and Business Case for Distributed Energy Resources in India - an extension to the prior study on developing the business case for rooftop solar PV. TPDDL has also signed MoU with EDF (Europe) and Enedis (France) to jointly take up Smart Grid Projects, Distribution and Franchisee models in India and other geographies.

Employees being the core strength of the organisations, TPDDL took several initiatives centering on engagement of youth, development of employees, enhancement of Performance Management System (PMS) and promotion of diversity.

5.5.3. TATA POWER AJMER DISTRIBUTION LIMITED - TPADL

Type of entity: Subsidiary (The Tata Power Company Ltd: 100%) *(Table 20)*

Particulars	FY18*
Distribution Sales (MUs)	303
Net sales (₹ crore)	244
PAT (₹ crore)	(4)

**from June 2017 onwards*

The Tata Power Company Ltd. successfully won the bid floated by Ajmer Vidyut Vitran Nigam Limited (AVVNL) for appointment of a Distribution Franchisee (DF) in Ajmer city, Rajasthan. TPADL, a wholly-owned subsidiary of The Tata Power Company Ltd. was formed on 17th April 2017 as a Special Purpose Vehicle (SPV) to take-over the supply and distribution of power in Ajmer city. TPADL entered into an agreement with AVVNL on 19th April 2017 for distribution of power supply for 20 years and started operation with effect from 1st July 2017.

The total area under the franchisee is around 190 sq km. The total consumer base is around 1.38 lakh and total peak demand is 110 MW. TPADL completed a successful transition of operations during peak summer season and significantly reduced the number of trippings. Remote pilot operation of four 33 KV grid sub-station was also initiated.

On the consumer front, initiatives like introduction of single window concept at consumer service centre, renovation of consumer service centre, set-up of a new 24x7 call centre, fast track of release of new connection with simplified process, improvement in consumer communication channels though public hearing forum, publishing of newsletters and dedicated e-mail ID and phone number for consumer grievances were undertaken in FY18.

5.6. OTHER BUSINESSES

5.6.1. SERVICES

In FY18, the Services division provided Project Management Services for about 1843.5 MW capacity of assets, O&M Management Services for 2454 MW capacity of assets, complete O&M services for 99 MW capacity of assets, Corporate Management Services for 1492.5 MW capacity of assets and Asset Management Services for 738.2 MW capacity of Wind and Solar assets. In addition, the division provided services such as GIS testing, electrical testing etc., to various clients.

5.6.2. TATA POWER TRADING COMPANY LIMITED - TPTCL

Type of entity: Wholly owned subsidiary *(Table 21)*

Particulars	FY18	FY17
Generation Sales (MUs)	12,418	14,592
Net sales (₹ crore)	3,691	4,605
PAT (₹ crore)	15	5

PAT has increased mainly due to higher Renewable Energy Certificate (REC) trade, higher realisation for sale of Dagachhu Hydro Power Corporation's (DHPC) power, renegotiation of power purchase agreement with DHPC, Bhutan, improvement in working capital cycle and improved financing.

5.7. INTERNATIONAL BUSINESSES

5.7.1. CENNERGI PTY LIMITED - CENNERGI (230 MW)

Type of entity: Joint Venture [Tata Power (through Khopoli) 50%, Exxaro Resources Limited 50%]

(Table 22)

Particulars	FY18	FY17
Generation Sales (MUs)	742	497
Revenue (₹ crore)	513	400
(Loss)/Profit (₹ crore)	(46)	(111)

Cennergi is an independent power producer jointly owned by Tata Power (50%) and Exxaro Resources Ltd. (50%). The company was awarded two projects in Round 2 of the South African government's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The 134 MW Amakhala Emoyeni wind farm was commissioned on 28th July 2016 with the 95 MW Tsitsikamma Community Wind Farm reaching COD on 18th August 2016.

Both, Amakhala and Tsitsikamma wind farms performed exceedingly well in year 2018 and operated with plant availability of 98.1% and 98.9% respectively. In FY18, the revenue is higher and losses have decreased due to higher volumes. The PAT is negative due to non-cash adjustments w.r.t hedge accounting. However, this has no impact on cash flow and IRR.

As part of Cennergi's efforts to further enterprise and socio-economic development (ED SED) in the areas surrounding the two wind farms, two community trusts were established in 2017-18. The community trusts will lead efforts to spend funds committed by Cennergi as part of its original bid on ED SED initiatives in these areas.

5.7.2. DAGACHHU HYDRO POWER CORPORATION LIMITED - DHPC (126 MW)

Type of entity: Associate (Tata Power 26%, DGPC & Affiliates: 74%) *(Table 23)*

Particulars	FY18	FY17
Generation Sales (MUs)	487	449
Net sales (₹ crore)	128	121
PAT (₹ crore)	(44)	28

The loss has increased due to increase in transmission charges and foreign exchange loss.

DHPC (126 MW) sold 487 MUs of energy at the Indo Bhutan periphery during FY18.

Considering the limited power market access and suppressed power market prices, Tata Power Trading Co. Ltd. requested for negotiation of PPA in the interim period. After detailed discussion and exploring the possible alternatives, the Board recommended the re-negotiation of PPA to the shareholders. On the approval of the shareholders, the Management of DHPC renegotiated the PPA at a lower tariff for a period of 1 year starting from 1st March 2017 to 28th February 2018. Going forward, the original PPA, which existed before 1st March 2017, will be maintained.

5.7.3. ITEZHI TEZHI POWER CORPORATION LIMITED– ITPC (120 MW)

Type of entity: Joint Venture (Tata Power: 50%, ZESCO: 50%) *(Table 24)*

Particulars	FY18	FY17
Generation Sales (MUs)	781	618
Net sales (₹ crore)	600	530
PAT (₹ crore)	299	220

ITPC has completed two years of commercial operations now.

The ITPC project has been developed in Itezhi Tezhi district approximately 350 kms. from the capital city of Lusaka. The project is funded by African Development

Bank (AfDB), Development Bank of South Africa (DBSA), Netherland's Development Finance Company (FMO) and Proparco from France.

Construction of the power station started in 2012 and it achieved Commercial Operations in May 2016. Since start of commercial operations, ITPC has been consistently posting positive key financials with turnover of USD 93 million and a net profit of USD 46 million in its second year of operations. The annual availability of the power plant stood at 99.3% with total energy generation at the end of the year of 788.5 MUs at a Plant Load Factor of 75%. The generation was higher due to very good rainfall and inflow, which contributed to higher PAT levels in FY18.

5.7.4. ADJARISTSQALI GEORGIA LLC

Type of entity: Joint Venture [Tata Power (through TPIPL):40%, Clean Energy Invest: 40%, International Finance Corporation (IFC): 20%]

AGL is developing a 187 MW hydropower project on the Adjaristsqali River and its tributaries in Georgia. This is one of the largest infrastructure investments in Georgia.

The plant will export excess electricity to Turkey. The Shuakhevi HPP will generate more than 450 million kWh of clean electricity annually, decreasing the emission of greenhouse gases by more than 200,000 tons per year.

The Project construction work was completed and commissioning activities commenced end-July 2017 after completion of the 220 kV transmission line work that was being constructed by GSE. The Units were synchronised successfully in early August 2017 and all commissioning tests required for commencing commercial operations were completed by end-September 2017. However, the plant is currently not in operations on account of collapses experienced in certain sections of the tunnels. Investigation has been undertaken in all sections to understand the inconsistent geological behaviour in these tunnels so as to finalise remedial work design required in the affected sections.

Due to falling power prices in Turkey, the project's viability has been seriously affected. The sponsors are in discussion with all stakeholders, including lenders and the Government of Georgia, to restore viability of the project by appropriate risk sharing and concessions.

6. PROJECTS COMMISSIONED DURING FY18

(Table 25)

Vehicle for project execution	Scale	Key Highlights
TPREL	205 MW	Projects commissioned by TPREL in FY18 were: • 100 MW solar project at Pavagada solar park, Karnataka • 50 MW solar project at Pavagada solar park, Karnataka under DCR (Domestic Content Requirement) category • 25 MW solar project at Charanka solar park, Gujarat • 30 MW solar project at Palaswadi, Satara, Maharashtra.
TPSSL	47 MW	As part of Solar Projects development by KREDL, TPSSL commissioned the following projects this year as developer in Karnataka: • KREDL, Srinivasapura – 20 MW • KREDL, Kanakagiri – 17 MW • KREDL, Bidar – 10 MW
Vagarai Windfarm Ltd.	21 MW	21 MW commissioned under the group captive power sale mechanism.
PT Citra Kusuma Perdana	18 MW	Third unit of the 3x18 MW coal fired power project in Sangatta, East Kalimantan province in Indonesia for captive power consumption by PT Kaltim Prima Coal (KPC).
TPTCL	3 MW	3 MW land-based solar plant commissioned in Noamundi, Jharkhand under the captive power sale mechanism

7. PROJECTS UNDER EXECUTION

Projects under Execution:

(Table 26)

Vehicle for project execution	Scale	Key Highlights
TPREL	100 MW (Solar)	Solar Project at Anantapuram Solar Park, Andhra Pradesh, won through competitive bidding.
Adjaristsqali Georgia LLC	187 MW	The construction work for the project is in progress.

8. ENABLERS TO BUSINESS

8.1. Sustainability

Tata Power's Sustainability vision is to practice 'Leadership with Care' by pursuing best practices on Care for our Environment, Community, Customers, Shareholders, People and creating a culture that will reinforce our values. The Company pursues a comprehensive Sustainability model in its journey towards Sustainability which includes the key element of 'Care' (described in Board's Report Section 12). The Company's latest Sustainability Report can be accessed using the following link: *http://www.tatapower.com/sustainability/sustainability-communications.aspx*. *(Alternately, scan the adjacent QR Code using a mobile device to read the report on the Company website).*

8.1.1. CARE FOR OUR PEOPLE

- **Safety:** Safety is a core value at Tata Power and all necessary actions are taken at the organisation to keep the safety as priority. Safety performance of the Company has been reported in Board's Report Section 11. Safety and 5S programs of Company have been given a lot of thrust during FY18. Training and awareness programs and safety drills were carried out across various locations of the organisation.
- **Employee Engagement:** Engagement Live was conducted in FY18 to utilize multiple means of involvement like large group interactions, Focus Group Discussions (FGDs), round table discussions and leadership interaction along with the online module to harness the collective knowledge of our employees for co-creation of engagement questionnaire which is sharper, more relevant, futuristic and more aligned to the organisational imperatives.
- **Industrial Relations:** Tata Power, since its inception, supported working collaboratively with all stakeholders to maintain cordial Industrial Relations at all locations. The activities at all locations progressed peacefully and cordially during the year. Job rotations and transfers were done from Western Region staff to TPREL and WREL (outside Mumbai) to give the staff exposure to renewables sector. Staff transfers have also been done from Trombay to Transmission & Distribution to provide cross-skill exposure to the staff. With the changing business scenario, it is imperative that the staff reskills itself to meet the emerging demands of consumers and, hence, the steps have been initiated in the appropriate direction. Necessary support was provided to the staff and union committee for the initiatives driven in FY18.
- **Talent Management:** Tata Power considers talent as its distinguisher in the market and takes necessary steps for effective talent management at Tata Power.
- **Organisation Restructuring:** Review of existing organisation structure was undertaken in FY18 for simplification and optimisation. All SBU organisation structures and corporate functions organisation structures have been reviewed. Internal Job Postings (IJPs) have been promoted largely in the organisation post restructuring. Emphasis on IJPs has led to opening-up of opportunities for employees to make career choices.
- **Capacity Building & Leadership Development:** Capacity Building & Leadership Development is the focus area of HR strategy and is closely monitored at Tata Power.
- **Sexual Harassment:** The Company has zero tolerance for sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Summary of sexual harassment issues raised, attended and dispensed during FY18:

- No. of complaints received: 4
- No. of complaints disposed of: 4
- No. of cases pending for more than 90 days: Nil
- No. of workshops on awareness program against sexual harassment carried out: 80

Internal Complaints Committee (ICC) is in place for all administrative units or offices of Tata Power to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC whilst dealing with issues related to sexual harassment at the work place towards any woman associates. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers are covered under this policy. Multi-pronged efforts have been made during FY18 for awareness of provisions and redressal of complaints as also to continue with and improve the work climate in all establishments where women employees feel safe and secure.

8.1.2. CARE FOR COMMUNITY

The seven thrust areas for Corporate Social Responsibility (CSR) wherein the Company engages with its Community are:

- Education (Upto Secondary with focus on gender balance)
- Livelihood & Employability
- Water (for Drinking & Irrigation)
- Health and Sanitation
- Financial Inclusivity
- Social Capital and Institution Building
- Renewable Energy

Details of CSR spend by the Company is given in Annexure-II of the Board's Report.

A. **Tata Power Delhi Distribution Limited**

In FY18, Tata Power-DDL undertook the following CSR initiatives with the objective of enriching the lives of residents of underprivileged communities:

- 50 RO plants installed in schools, clusters, Delhi Metro stations providing potable drinking water to nearly 2.3 lakh individuals.
- Education support program for SC/ST students benefited 1,150 students from 48 Government schools and 483 students from ITI, polytechnic, engineering and graduation colleges.
- 62 drug de-addiction camps organised to provide counselling and free homeopathy medicines to around 9,300 beneficiaries.

Notable awards received by Tata Power-DDL during the year included: Tata Volunteering Week (TVW) award for highest volunteers' participation and SPOC- Hero Award in TVW7 and TVW8 respectively, TAAP Jury Award 2017, FICCI CSR Leadership Award 2017.

B. Coastal Gujarat Power Limited

The CSR expenditures were made to respond to local needs for developmental activities with a view to establish CGPL as the 'neighbour of choice'.

Some of the major CSR activities pursued were:

- Formation of village development and advisory committee, micro financing for foot fishermen community, preparation for land lease and master mapping for the proposed shrimp/prawn farming under Sagarbandhu program.
- Implementation for Participatory Ground Water Management, a flagship initiative of CGPL, was initiated in 12 villages.
- Project Suryoday, a first net metering project in Kutch which follows a self-sufficiency model which will be replicated in other villages post successful outcome.

CGPL, in close coordination with IFC and ADB, has developed Management and Monitoring plan (M&M) and Remedial Action Plan (RAP) to address the issue related to fishermen community. The latest summary of the status of the 16 action points reflected in the M&M plan is available on CGPL micro site among which 14 are closed and 2 are ongoing. With regard to the RAP (ADB), a categorical status update on five action points, all of which are completed, is also put on the CGPL micro site. CGPL has worked with reputed institutions (IUCN, NIO, CMFRI, MGLI, Taleem, Kadam Enviro, ARCADIS, GreenC etc.) to establish that the company operations have no adverse impact on the environment and marine life around the plant, especially the intake and outfall channel. Apart from ESP, ETP and STP for emission and effluent control, the company has undertaken additional initiatives to develop biodiversity in the region with the support of IUCN and developed Biodiversity Management Plan (BMP). Assurance activities in the form of experimental cage fishing in the outfall channel have now been completed after 21 rounds and have established that there is no adverse impact on variety of fish culture.

C. Maithon Power Limited

During the year under review, the following CSR activities were undertaken:

- 2598 workers were provided safety training and imparted with technical skills in power sector though Tata Power Skill Development Institute (TPSDI) at MPL.
- MPL has developed digital classrooms in 33 Government schools in order to help 5000+ students.
- 372 local youth and students were provided with soft skill trainings and computer literacy.

D. Powerlinks Transmission Limited

- Mid-day meal and evening tuition provided to 210 underpriviledged children at RKMS Vrindavan.

- 200 specially-abled students have been trained and placed in various retail chains and hospitality industry through Sarthak Education Trust.
- Extensive work was also done during the July 2017 floods in Purnea – Saharsa line.

E. Industrial Energy Limited

- Employability training on soft skills, office etiquette and computer skills was provided to 210 unemployed youth and girls belonging to SC/ST/BPL families from Jajpur, Bhadrak, Keonjhar and Khurda district of Odisha.
- At Jojobera, learning camps were conducted in government schools across 20 villages, where 985 students reaped the benefits of the learning camps.
- Well-equipped water, sanitation and hygiene (WASH) infrastructure was made available in schools and colleges across 5 villages, benefiting 900 girl students.

F. Tata Power Trading Company Limited

TPTCL entered into an MoU with TPCDT to implement its community development initiatives at Haldia, West Bengal. This involves education excellence intervention in 6 government schools catering to 1200 students, farm and non-farm livelihood programs to improve the quality of life of the community, promoting and strengthening women self-help groups (SHGs) and SHG-based institutions. In NCR, skill development programs and evening learning classes were provided at Shakurpur Vocational Training Center, New Delhi in collaboration with TPDDL and NGO Aradhya covering 270 students.

G. Tata Power Renewable Energy Limited

TPREL undertook CSR initiatives in the vicinity of the Palaswadi solar plant. So far, watershed management activities, drinking water initiatives, vocational trainings to rural youth, government at door step - good governance program, e-learning education facility to rural students, solar street lights, solar pump for public well to provide drinking water, participatory rural appraisal (PRA), campaigns on the Swachh Bharat Abhiyan, save the girl child, save the trees - save the earth and other initiatives have been carried out with community participation.

H. Walwhan Renewable Energy Limited (WREL)

The CSR initiatives of WREL were aligned to the Tata Power CSR policy and on the basis of need assessment and felt needs of the communities. WREL has reached out to 21,020 households in and around communities in its area of operation in ten states.

Through the social and community development interventions, WREL has tried to address some of the community issues:

- 10 Remedial Education Centres in Tamil Nadu, Madhya Pradesh, Karnataka and Andra Pradesh were established to improve the quality of education of 1040 rural students.
- Digital Class Room facility was extended to 17 rural schools in Gujarat, Maharashtra, Tamil Nadu, Andra Pradesh and Karnataka to promote experiential learning and to improve the overall quality of education being imparted and benefited 4417 students.
- Digital Literacy Centres were set up in 10 schools in Karnataka and Andra Pradesh to offer basic digital literacy training to 748 students.
- Water and sanitation facilities were established and improved in eight schools benefiting 1235 students.
- Water purification plant was installed in Kodihalli (Karnataka) to benefit around 7308 beneficiaries (2000 families).

8.1.3. CARE FOR OUR ENVIRONMENT

The following key initiatives were completed in FY18:

- Your Company is in the process of minimizing atmospheric pollution by installing Flue Gas Desulphurization Systems at all coal fired power plants by 2021-22.
- Your Company has achieved a significant reduction in water consumption, which is also a thrust area.
- Your Company bagged CII-ITC Sustainability Awards 2017 - 'Commendation for Significant Achievement in Biodiversity' and is the only company to win the award for the 2nd consecutive year.

8.2. FINANCING

Refinancing of debts

During the year, the Company had undertaken refinancing of some of the existing Rupee debt facilities leading to significant savings in interest costs as well as easing cash flows. Some of the key refinancing transactions completed include the following:

- Refinancing of ₹ 1,500 crore of Term loans, NCD and Euro notes in Tata Power with NCD
- Replacement of ₹ 800 crore of NCD of Tata Power with term loans
- Replacement of ₹ 1,300 crore high cost term loans of MPL
- Refinancing of ₹ 3,550 crore debt of WREL
- Replacement of USD 100 mn debt of Coal SPVs

Borrowings

Outstanding borrowings of the Company as on 31st March 2018 are as follows:

(Table 27)

Particulars	Standalone (₹ crore)	Consolidated (₹ crore)
Long Term Borrowings (LTB)	8,124	22,356
Short Term Borrowings	4,326	18,827
Current maturing of LTB	4,121	7,406
Total	**16,571**	**48,589**

(Table 28)

Particulars	Standalone (₹ crore)	Consolidated (₹ crore)
Rupee Borrowings	16,232	34,599
Foreign Currency Borrowings	339	13,990
Total	**16,571**	**48,589**

Debt repayment

During the year, an amount of ₹ 11,225 crore was repaid on existing loans and debentures by the group.

Details of terms of repayment of each loan are set out in the Notes forming part of the Financial Statements [Standalone – Note 22; Consolidated – Note 21]

Repayment Schedule (Standalone)

Figures in ₹ crore *(Table 29)*

Particulars	FY19	FY20	FY21	FY22	FY23	FY24 & Beyond
Debentures	2,916	541	341	336	1,046	2,218
Term Loans and others	1,205	714	290	278	275	2,101

Leverage as on 31st March 2018:

Standalone *(Table 30)*

Particulars	FY18	FY17
Net Debt/Equity	1.14	0.90
EBITDA/Net Debt	0.20	0.19

Consolidated *(Table 31)*

Particulars	FY18	FY17
Net Debt/Equity without non-controlling interest	2.80	3.19
Net Debt/Equity including non-controlling interest	2.50	2.83

Credit Rating

As on 10th May 2018, your Company had the following four domestic credit ratings. These long-term ratings have been assigned on the basis of consolidated credit profile of Tata Power and its subsidiaries:

- CRISIL: AA- With Stable Outlook
- CARE: AA With Stable Outlook
- ICRA: AA- with Stable Outlook
- India Rating: IND AA with Stable Outlook

Hedging

Your Company is exposed to risk from market fluctuations of foreign currency on account of coal import, foreign currency loan, project imports etc. and exposures are primarily in the Tata Power Standalone and CGPL. The Company has been actively managing its short-term and long-term foreign exchange risks within the framework laid down by the Company which includes a Risk Management Policy. The Company has set up a Forex Risk Management Committee, which reviews exposures on monthly basis and decides suitable hedging strategies. The Company has been hedging its exposure by way of various hedge instruments such as Forwards, Options or combination of both. The Tata Power Group has approx. USD 1.35 billion of currency exposures, which has been hedged by use of forward and option contracts. Besides currency, the Company also has exposures on the interest rate i.e. USD LIBOR as it has borrowed in foreign currency. The interest rate risk is also managed through suitable hedging strategies. The derivative instruments are valued on marked to market and any gains or losses are passed on through profit & loss account.

Cash flows from operating activities

Cash generated from operations of your Company, post-adjustments to profit after tax, has increased from ₹ 2,120.78 crore in FY17 to ₹ 2,766.68 crore in FY18. This is primarily due to liquidation of regulatory assets. On a consolidated level, net cash flow from operating activities decreased from ₹ 7,028.90 crore to ₹ 6,309.01 crore.

8.3. BUSINESS EXCELLENCE

Your Company continued its cost saving activities under the cost saving initiatives under Business Excellence. The cost saving initiatives saved an amount of nearly ₹ 112.92 crore during the year. The major programs under these initiatives were as under:

- Sankalp - This is a program to bring in operational excellence, delivery excellence and cost efficiency using the Total Operational Performance methodology. During the year 2017-18, 22 projects were undertaken, and 100+ officers participated in these projects.

- Six Sigma - This methodology has been used for 30 projects so far. Trainings of employees have been conducted and we have 12 Black Belts, 63 Green Belts and 175 Yellow Belts.
- Culture Building – Your Company continued its efforts in culture building through the various initiatives, which include Leher (an organisational transformation program for officers), LASER (an organisational transformation program for shop floor employees), We Care (umbrella program for strengthening organisational values embedment), Spandan (organisational transformation and safety programs for shop floor employees), Workers Development Program (organisational transformation for contract employees), Gender Diversity & Inclusivity programs and Idea Crucible (platform to churn ideas, from internal resources and academia, to arrive at commercially viable innovative business solutions for Tata Power).

8.4. INFORMATION AND COMMUNICATION TECHNOLOGY

During the year, your Company's continuous journey towards the sustenance and maturity of SAP solution included a smooth and successful implementation of GST and rollout for TPADL (deploying the core processes of people, finance and material) on the state-of-the art SAP HANA database (a first for core ERP in the Tata Power group). Further, the footprint of the work flow and repository processes continues to be strengthened through its Enterprise Content Management tools.

On the Company's mobility journey, additional features and functionalities like Lead Management System, Chatbot integration and wider payment options and gateways for the customer have been completed including enhanced platform for widening reach and touchpoints for the employees. Your Company has expanded the Digital Foundation footprint though provision of a Secure Workplace Anytime, Anywhere Solution (SWAAS), an initiative with cloud-based Office 365++ platform to enable collaboration and user productivity enhancement across devices.

Wider choice of digital interaction and convenience to customers and users has been enabled by integrating business processes with the Company's ERP via:

- Availability of more payment options for consumers through integration with mobile wallets and payment gateways.
- Deploying Self Service Online applications along with provision for payment acceptance pertaining to several types of customer requests.
- Implementation of SAP BPC for Legal & Management Consolidation and Financial Planning.
- Wider Availability of dashboards on operational, HR and Safety KPIs with added 150+ analytical reports on BI platform.
- Chatbot services for call back facility through BCM, customer account details, registering no supply complaints, making payment etc.

As more and more digital interventions are embraced, your Company has laid stress on the cyber security of the Company's Operational assets given that GOI has identified Power & Energy as one of six sectors under its National Critical Information Infrastructure plan. Your Company's IT team has been facilitating the exercise along with the O&M and Engineering teams by drawing a governance framework through an Apex Committee and is undergoing a Cyber security Assessment by a CERT-IN certified assessor of selected stations of T&D. Your Company also ran a holistic Security Awareness programme across its major establishments and stations covering both aspects of Physical and IT Security.

8.5. DIGITALISATION INITIATIVES

Tata Power has always been a pioneer in technology adoption. Tata Power has embarked upon digitalisation agenda and several digitalisation initiatives organised under four strategic pivots viz. Materials & Asset, Customer, Employee and Vendors & Associates, are being pursued across various SBUs. Some of the key digitalisation initiatives implemented in FY18 are stated below:

a) Use of UAV & image analytics in Thermal & Renewable Generation, T&D

- <u>Coal Stock pile volume measurement at CGPL</u>: Currently, traditional ground-based surveying methods are used to calculate coal stockpile volumes. Drone technology is deployed for a cost effective and safer alternative without sacrificing accuracy.
- <u>Overhead transmission line monitoring</u>: UAV inspection of 110 kV lines was carried out for detecting anomalies and monitoring physical condition of transmission hardware. The process eliminates the need for routine foot patrolling of the transmission corridors, greatly improves site safety, reduces time taken for inspection and creates time-based image repository of the site conditions.
- <u>Design of Solar panels for customer sites</u>: The UAV is used to carry out site survey for new installations replacing the manual inspection method of capturing the sketches and

photographs required for designing the solar array which greatly increased the speed and effectiveness of the survey process. The turn-around-time for enquiry to quotation has been greatly minimized. Sites where access by survey personnel may be hazardous or demand enormous time-consuming effort are now being surveyed by drones.

b) IoT based asset tracking solutions - The solution captures real-time location of assets deployed across the distribution license area using LoRA network deployed by Tata Communications Ltd. It provides Geo Fence breach alert whenever an asset moves from its normal location along with the movement trace. This will facilitate automated asset verification and reconciliation process.

c) Digital Customer Interactions - Implemented Chatbot for responding to customer queries. The solution offers consumers a facility to register complaints or raise a query through multiple channels like Facebook Messenger, Web Portal, Mobile Application and Twitter handle and get quick response without any need to interact with a call centre agent.

8.6. PARAM SANKALP

In 2016, your Company had launched Param Sankalp, a 30-month long organisation wide Reliability Centered Maintenance (RCM) program. The program was launched to improve our assets' reliability, embed best in-class Operations and Maintenance processes (O&M), while optimizing the O&M cost.

The design phase of the program aimed at laying the foundation elements for RCM has been completed. Key issues and gaps from best-in-class impacting asset performance have been identified and a series of interventions have been devised to address the same. The data quality and IT backbone has been strengthened to enable advanced analytics for future improvements.

Since the beginning of 2018, the program has entered the implementation and value capture phase. Interventions identified for reliability improvement and O&M cost optimization are being rolled out at a significant pace.

Further, Param Sankalp is also working on embedding a culture of O&M excellence and pride in the team while developing employee capability. In addition, the Centre of Excellence and RCM Academy have been established to train and empower our O&M personnel to drive long term excellence.

9. FINANCIAL PERFORMANCE – STANDALONE

Your Company recorded a loss of ₹ 3,150.52 crore during the financial year ended 31st March 2018 (the profit after tax was ₹ 397.54 crore in FY17). Both the basic and the diluted earnings per share were at ₹ (12.05) for FY18.

The analysis of major items of the Standalone financial statements is shown below (Section 9.1 to 9.10: Statement of Profit and Loss; Section 9.11 to 9.27: Balance Sheet items)

9.1. REVENUE

Figures in ₹ crore *(Table 32)*

Particulars	FY18	FY17	Change	% Change
Revenue from Power Supply and Transmission Charges*	5,904.75	5,499.61	405.14	7
Project/Operation Management Services	1,163.47	1,040.39	123.08	12
Income from Finance Lease	92.32	89.68	2.64	3
Other Operating Revenue	140.05	139.48	0.57	-
Total	**7,300.59**	**6,769.16**	**531.43**	**8**

** - Includes rate regulatory income/(expense)*

The increase in Revenue was mainly due to recovery of higher fuel cost, being a pass through item.

9.2. OTHER INCOME

Figures in ₹ crore *(Table 33)*

Particulars	FY18	FY17	Change	% Change
Interest Income	132.56	269.79	(137.23)	-51
Dividend Income	747.90	651.23	96.67	15
Gain/(Loss) on Investments	2.36	42.23	(39.87)	-94
Other Non-operating Income	46.52	31.47	15.05	48
Total	**929.34**	**994.72**	**(65.38)**	**-7**

Decrease in Other Income was due to reduction in interest income on financial instruments to subsidiaries offset by higher dividend income.

9.3. COST OF POWER PURCHASED AND COST OF FUEL

Figures in ₹ crore *(Table 34)*

Particulars	FY18	FY17	Change	% Change
Cost of Power Purchased	412.05	466.52	(54.47)	-12
Cost of Fuel	2,776.40	2,342.83	433.57	19

The power purchase cost reduced mainly due to lower power purchase volumes while cost of fuel increased due to increase in coal prices.

9.4. TRANSMISSION CHARGES

Figures in ₹ crore *(Table 35)*

Particulars	FY18	FY17	Change	% Change
Transmission Charges	279.88	221.30	58.58	26

Transmission charges in Mumbai regulated business were based on the MYT order.

9.5. EMPLOYEE BENEFITS EXPENSES

Figures in ₹ crore *(Table 36)*

Particulars	FY18	FY17	Change	% Change
Employee benefits expense	596.69	631.02	(34.33)	-5

Employee Benefit Expense has decreased on account of optimisation of manpower resources.

9.6. FINANCE COST

Figures in ₹ crore *(Table 37)*

Particulars	FY18	FY17	Change	% Change
Finance Costs	1,431.38	1,318.76	112.62	9

Finance Cost was higher mainly due to funding needs of subsidiaries and working capital requirements offset by reduction in interest rates during the current year.

9.7. DEPRECIATION AND AMORTISATION

Figures in ₹ crore *(Table 38)*

Particulars	FY18	FY17	Change	% Change
Depreciation and amortization	663.21	605.00	58.21	10

Depreciation increased during the year due to capitalization.

9.8. OPERATIONS AND OTHER EXPENSES

Figures in ₹ crore *(Table 39)*

Particulars	FY18	FY17	Change	% Change
Repairs and Maintenance	297.12	291.78	5.34	2
Others	580.40	719.99	(139.59)	-19
Total Operation and Other Expenses	**877.52**	**1,011.77**	**(134.25)**	**-13**

Operation and Other Expenses reduced due to reduction in impairment of non-current assets and inventories.

9.9. EXCEPTIONAL ITEMS

Figures in ₹ crore *(Table 40)*

Particulars	FY18	FY17	Change	% Change
Impairment of Property, Plant & Equipment	100.00	0.00	100.00	100
Impairment of Non-current Investments	4,230.32	0.00	4,230.32	100
Damages Towards Contractual Obligation	107.08	651.45	(544.37)	-84
Total	**4,437.40**	**651.45**	**3,785.95**	**581**

During FY18, the Company has recognised impairment provision for one of the units of its Trombay Generating Station, investment in subsidiaries and joint ventures. Further, the Company has accounted for loss towards contractual obligations towards purchase of shares in TTSL from NTT DoCoMo Inc., Japan in both the years.

9.10. TAX EXPENSES

Figures in ₹ crore *(Table 41)*

Particulars	FY18	FY17	Change	% Change
Current Tax	224.26	264.19	(39.93)	-15
Deferred Tax	(844.37)	(78.46)	(765.91)	976
Deferred Tax (recoverable)/payable	454.29	(65.00)	519.29	-799
Total Tax Expense	**(165.82)**	**120.73**	**(286.55)**	**-237**

Tax Expenses reduced mainly due to recognition of indexation benefit on non-core investments classified as held for sale and recognition of tax credit (MAT) partly offset by deferred tax to be passed on to the consumers.

9.11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY & INTANGIBLE ASSETS

Figures in ₹ crore *(Table 42)*

Particulars	FY18	FY17	Change	% Change
Property, plant and equipment	7,873.55	8,358.30	(484.75)	-6
Intangible Assets	93.18	189.87	(96.69)	-51
Capital Work-in-Progress	418.78	666.19	(247.41)	-37
Intangible assets under development	0.00	254.68	(254.68)	-100
Investment Property	0.00	0.96	(0.96)	-100
Total	**8,385.51**	**9,470.00**	**(1,084.49)**	**-11**

The above assets decreased mainly due to reclassification of SED business assets, as assets held for sale of discontinued operations.

9.12. NON-CURRENT INVESTMENTS

Figures in ₹ crore *(Table 43)*

Particulars	FY18	FY17	Change	% Change
Investment in Subsidiaries, JV and Associates	17,316.48	20,981.74	(3,665.26)	-17
Statutory Investments	391.49	296.84	94.65	32
Others	674.48	1,061.73	(387.25)	-36
Total	**18,382.45**	**22,340.31**	**(3,957.86)**	**-18**

Decrease in Non-Current Investments was mainly due to making of provisions for impairment in the value of investments in subsidiaries and reclassification of investments in associates as held for sale.

9.13. CURRENT INVESTMENTS

Figures in ₹ crore *(Table 44)*

Particulars	FY18	FY17	Change	% Change
Statutory Investments	10.00	89.34	(79.34)	-89
Mutual Funds	0.00	40.74	(40.74)	-100
Total	**10.00**	**130.08**	**(120.08)**	**-92**

Current Investments consisting of statutory investments and investment in mutual funds reduced on liquidation of the same.

9.14. TRADE RECEIVABLES

Figures in ₹ crore *(Table 45)*

Particulars	FY18	FY17	Change	% Change
Non-current	185.76	185.76	0.00	-
Current	972.05	1,234.82	(262.77)	-21
Total	**1,157.81**	**1,420.58**	**(262.77)**	**-18**

Decrease in Trade Receivables was mainly due to reclassification of SED business receivables as assets held for sale.

9.15. LOANS

Figures in ₹ crore *(Table 46)*

Particulars	FY18	FY17	Change	% Change
Non-current	22.09	22.82	(0.73)	-3
Current	402.25	0.00	402.25	100
Total	**424.34**	**22.82**	**401.52**	**1,760**

Increase in loans was mainly due to loans given to CGPL, TPADL and IRRJL.

9.16. FINANCE LEASE RECEIVABLE

Figures in ₹ crore *(Table 47)*

Particulars	FY18	FY17	Change	% Change
Non-current	574.76	573.47	1.29	0
Current	34.27	39.16	(4.89)	-12
Total	**609.03**	**612.63**	**(3.60)**	**-1**

Finance Lease Receivable reduced due to recovery of lease rentals during the year.

9.17. OTHER FINANCIAL ASSETS

Figures in ₹ crore *(Table 48)*

Particulars	FY18	FY17	Change	% Change
Non-current	722.79	1,132.40	(409.61)	-36
Current	434.83	376.74	58.09	15
Total	**1,157.62**	**1,509.14**	**(351.52)**	**-23**

Other Financial Assets reduced mainly due to allotment of equity by its subsidiaries, reduction in regulatory assets and one-off item in the previous year - advance paid for obligation to purchase shares in Tata Teleservices Ltd. from NTT DoCoMo Inc., Japan. This was partly offset by increase in dividend receivable.

9.18. OTHER ASSETS

Figures in ₹ crore *(Table 49)*

Particulars	FY18	FY17	Change	% Change
Non-current	559.72	884.83	(325.11)	-37
Current	172.87	273.97	(101.10)	-37
Total	**732.59**	**1,158.80**	**(426.21)**	**-37**

Other Assets reduced mainly due to reclassification of SED business assets and Naraj Marthapur land as assets held for sale.

9.19. ASSETS CLASSIFIED AS HELD FOR SALE

Figures in ₹ crore *(Table 50)*

Particulars	FY18	FY17	Change	% Change
Property, Plant and Equipment	97.43	40.51	56.92	141
Investments	1,098.52	195.21	903.31	463
Assets of Discontinued Operations	2,065.19	0.00	2,065.19	100
Total	**3,261.14**	**235.72**	**3,025.42**	**1,283**

In FY18, the Company treated certain investments in associates and some Property, Plant & Equipment as held for sale. Further, SED business assets, due to discontinued operations, were classified as held for sale.

9.20. NON- CURRENT BORROWINGS

Figures in ₹ crore *(Table 51)*

Particulars	FY18	FY17	Change	% Change
Secured Loans	4,122.03	5,727.18	(1,605.15)	-28
Unsecured Loans	4,001.81	3,120.68	881.13	28
Total	**8,123.84**	**8,847.86**	**(724.02)**	**-8**

Non-current borrowings reduced mainly because part of the debentures, which will be due within the next year, were classified as Other Financial Liabilities and SED business borrowings were reclassified as liabilities classified as held for sale.

9.21. CURRENT BORROWINGS

Figures in ₹ crore *(Table 52)*

Particulars	FY18	FY17	Change	% Change
Secured Loans	0.01	0.00	0.01	100
Unsecured Loans	4,326.45	2,391.98	1,934.47	81
Total	**4,326.46**	**2,391.98**	**1,934.48**	**81**

During the year, Current Borrowings increased mainly due to increased issuance of Commercial Papers.

9.22. TRADE PAYABLES

Figures in ₹ crore *(Table 53)*

Particulars	FY18	FY17	Change	% Change
Non-current	21.00	35.57	(14.57)	-41
Current	1,105.68	1,346.23	(240.55)	-18
Total	**1,126.68**	**1,381.80**	**(255.12)**	**-18**

Trade payables decreased during the year mainly because of reclassification of SED trade payables as liabilities classified as held for sale.

9.23. OTHER FINANCIAL LIABILITIES

Figures in ₹ crore *(Table 54)*

Particulars	FY18	FY17	Change	% Change
Non-current	110.74	40.03	70.71	177
Current	5,386.20	6,632.61	(1,246.41)	-19
Total	**5,496.94**	**6,672.64**	**(1,175.70)**	**-18**

Other Financial Liabilities decreased mainly due to reduction in non-current borrowings falling due in the next year.

9.24. OTHER LIABILITIES

Figures in ₹ crore *(Table 55)*

Particulars	FY18	FY17	Change	% Change
Non-current	180.49	179.29	1.20	1
Current	855.37	819.76	35.61	4
Total	**1,035.86**	**999.05**	**36.81**	**4**

Other Liabilities increased mainly due to increase in advances received from customers and increase in Statutory Consumer Reserves offset by reduction in statutory liabilities.

9.25. LIABILITIES CLASSIFIED AS HELD FOR SALE

Figures in ₹ crore *(Table 56)*

Particulars	FY18	FY17	Change	% Change
Liabilities classified as held for sale	877.56	0.00	877.56	100
Total	**877.56**	**0.00**	**877.56**	**100**

The liabilities pertain to SED business treated as Discontinued Operations, assets of which have been classified as assets held for sale.

9.26. TOTAL EQUITY

Figures in ₹ crore *(Table 57)*

Particulars	FY18	FY17	Change	% Change
Equity Share Capital	270.50	270.50	-	-
Unsecured Perpetual Securities	1,500.00	1,500.00	-	-
Other Equity	12,718.03	16,321.47	(3,603.44)	-22
Total Equity	**14,488.53**	**18,091.97**	**(3,603.44)**	**-20**

Total Equity of the Company reduced by 20% during the year on account of losses coupled with various appropriations.

9.27. REGULATORY DEFERRAL ACCOUNT – ASSET/ (LIABILITY)

Figures in ₹ crore *(Table 58)*

Particulars	FY18	FY17	Change	% Change
Regulatory Deferral - Asset	1,795.19	2,544.00	(748.81)	-29
Less: Regulatory Deferral – Liability	485.00	656.00	171.00	26
Total Regulatory Deferral - Asset (Net)	1,310.19	1,888.00	(577.81)	-31

Regulatory Deferral Asset (Net) pertains to regulatory receivables in distribution business. The same has reduced on account of higher recoveries and passing on of deferred tax credit to the consumers.

10. FINANCIAL PERFORMANCE – CONSOLIDATED

Figures in ₹ crore *(Table 59)*

Particulars	FY18	FY17	Change	% Change
Total Income*	29,354.06	27,872.05	1,482.01	5
Depreciation/ Amortisation/ Impairment	2,398.10	1,955.59	442.51	23
Finance Costs	3,722.99	3,364.96	358.03	11
Exceptional Item	1,102.53	(651.45)	1,753.98	-269
Profit Before Taxes	2,915.16	1,447.05	1,468.11	101
Profit for the year	**2,679.11**	**1,099.63**	**1,579.48**	**144**

** Includes Regulatory Income/(Expenses)*

Increase in Total Income was primarily on account of higher revenue from Tata Power, TPDDL, TPREL, WREL, TPADL, TPSSL partly offset by reduction in revenue from MPL and TPTCL. Depreciation increased with increased capitalization and addition of WREL for full year. Finance costs were higher mainly due to additional loan taken for funding WREL acquisition. Exceptional items in FY18 included impairment provisions of the investment made in overseas hydro project, impairment provisions of a unit in Trombay Generating Station, reversal of impairment provisions in Coal Companies and loss towards contractual obligation for purchase of shares in TTSL from NTT DoCoMo Inc., Japan.

10.1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY & INTANGIBLE ASSETS

Figures in ₹ crore *(Table 60)*

Particulars	FY18	FY17	Change	% Change
Property, plant and equipment	43,256.67	43,232.93	23.74	1
Intangible Assets	1,583.08	1,705.08	(122.00)	-7
Capital Work-in-Progress	1,652.60	1,923.24	(270.64)	-14
Intangible assets under Development	Nil	254.68	(254.68)	-100
Investment Property	Nil	2.49	(2.49)	-100
Total	**46,492.35**	**47,118.42**	**(626.07)**	**-1**

The above assets decreased mainly due to SED business being treated as discontinued operations.

10.2. GOODWILL

Figures in ₹ crore *(Table 61)*

Particulars	FY18	FY17	Change	% Change
Goodwill	1,641.57	1,653.57	(12.00)	-1

Goodwill decreased marginally due to annual testing for impairment.

10.3. NON-CURRENT INVESTMENTS

Figures in ₹ crore *(Table 62)*

Particulars	FY18	FY17	Change	% Change
Investment in Associates and Joint Ventures	11,111.66	9,496.09	1,615.57	17
Statutory Investments	391.49	296.84	94.65	32
Others	489.62	982.30	(492.68)	-50
Total	**11,992.77**	**10,775.23**	**1,217.54**	**11**

The increase in Non-Current Investments was mainly due to reversal of impairment of carrying value of its investments in Coal companies and increase in joint ventures by way booking profit for the year net of dividend received.

10.4. CURRENT INVESTMENTS

Figures in ₹ crore *(Table 63)*

Particulars	FY18	FY17	Change	% Change
Investments carried at Amortised Cost	10.00	89.34	(79.34)	-89
Investments carried at FVTPL	426.16	1,008.44	(582.28)	-58
Total	**436.16**	**1,097.78**	**(661.62)**	**-60**

Decrease in Current Investments was mainly on account of liquidation of investment in mutual funds and Statutory Investments.

10.5. TRADE RECEIVABLES

Figures in ₹ crore *(Table 64)*

Particulars	FY18	FY17	Change	% Change
Non-Current	190.05	187.92	2.13	1
Current	2,788.93	3,832.12	(1,043.19)	-27
Total	**2,978.98**	**4,020.04**	**(1,041.06)**	**-26**

Decrease in Trade Receivables was mainly due to decrease in receivables in Tata Power, CGPL, Bhira Investments, TPTCL and TPIPL partly offset by increase in TERPL.

10.6. LOANS

Figures in ₹ crore *(Table 65)*

Particulars	FY18	FY17	Change	% Change
Non-Current	76.48	77.16	(0.68)	-1
Current	720.67	655.44	65.23	10
Total	**797.15**	**732.60**	**64.55**	**9**

Loans increased marginally due to loans given to joint ventures by foreign subsidiaries.

10.7. FINANCE LEASE RECEIVABLE

Figures in ₹ crore *(Table 66)*

Particulars	FY18	FY17	Change	% Change
Non-Current	574.76	573.47	1.29	0
Current	34.27	39.16	(4.89)	-12
Total	**609.03**	**612.63**	**(3.60)**	**-1**

Finance Lease Receivable reduced due to recovery of lease rentals during the year.

10.8. OTHER FINANCIAL ASSETS

Figures in ₹ crore *(Table 67)*

Particulars	FY18	FY17	Change	% Change
Non-current	942.09	1,183.68	(241.59)	-20%
Current	1,100.37	913.40	186.97	20%
Total	**2,042.46**	**2,097.08**	**(54.62)**	**-3%**

Other Financial Assets reduced mainly due to reduction in regulatory assets. Further, the previous year computation included a one-off item - advance paid for obligation to purchase shares in Tata Teleservices Ltd. from NTT DoCoMo Inc., Japan. This was partly offset by increase in derivative contracts and Govt. grant receivable.

10.9. OTHER ASSETS

Figures in ₹ crore *(Table 68)*

Particulars	FY18	FY17	Change	% Change
Non-current	901.33	1,287.24	(385.91)	-30
Current	877.67	582.97	294.70	51
Total	**1,779.00**	**1,870.21**	**(91.21)**	**-5**

Other Assets reduced mainly due to reduction in Capital Advances offset by increase in vendor advances and power banking receivables of TPDDL.

10.10. NON-CURRENT BORROWINGS

Figures in ₹ crore *(Table 69)*

Particulars	FY18	FY17	Change	% Change
Secured Loans	12,608.37	13,807.29	(1,198.92)	-9
Unsecured Loans	9,747.94	11,335.67	(1,587.73)	-14
Total	**22,356.31**	**25,142.96**	**(2,786.65)**	**-11**

Non-current Borrowings decreased mainly due to reduction in Tata Power, Bhira Investments, Khopoli Investments offset by increase in TPREL and WREL.

10.11. CURRENT BORROWINGS

Figures in ₹ crore *(Table 70)*

Particulars	FY18	FY17	Change	% Change
Secured Loans	5,378.45	6,568.59	(1,190.14)	-18
Unsecured Loans	13,448.83	9,711.20	3,737.63	38
Total	**18,827.28**	**16,279.79**	**2,547.49**	**16**

Current Borrowings increased mainly due to increase in Commercial Papers and Term Loans by Tata Power and Bhira Investments offset by reduction due to repayments by TPREL and TPTCL.

10.12. TRADE PAYABLES

Figures in ₹ crore *(Table 71)*

Particulars	FY18	FY17	Change	% Change
Non-current	21.00	35.57	(14.57)	-41
Current	5,609.82	5,529.00	80.82	1
Total	**5,630.82**	**5,564.57**	**66.25**	**1**

Trade Payables increased mainly in TERPL, TPDDL and CGPL offset by reduction in Tata Power, Khopoli Investments and TPTCL.

10.13. OTHER FINANCIAL LIABILITIES

Figures in ₹ crore *(Table 72)*

Particulars	FY18	FY17	Change	% Change
Non-current	713.31	550.94	162.37	29
Current	10,279.73	11,386.46	(1,106.73)	-10
Total	**10,993.04**	**11,937.40**	**(944.36)**	**-8**

Other Financial Liabilities decreased mainly due to reduction in payables for capital supplies, derivative contracts and regulatory liabilities.

10.14. OTHER LIABILITIES

Figures in ₹ crore *(Table 73)*

Particulars	FY18	FY17	Change	% Change
Non-current	3,090.04	3,078.65	11.39	0
Current	1,501.40	1,316.24	185.16	14
Total	**4,591.44**	**4,394.89**	**196.55**	**4**

Other Liabilities increased mainly due to increase in advances received from customers and increase in Statutory Consumer Reserves.

10.15. TOTAL EQUITY

Figures in ₹ crore *(Table 74)*

Particulars	FY18	FY17	Change	% Change
Equity Share Capital	270.50	270.50	-	0
Unsecured Perpetual Securities	1500.00	1500.00	-	0
Other Equity	14,989.70	12,944.05	2,045.65	16
Total Equity attributable to shareholders of the Company	**16,760.20**	**14,714.55**	**2,045.65**	**14**

Total Equity of the Company increased by 14% during the year mainly on account of the reversal of impairment provisions in Coal Companies.

Refer notes to the standalone/consolidated financial statements for the restatements in the previous period.

11. INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

Your Company has established a strong and effective internal financial control mechanism and risk management framework.The details of the same are provided in this Annual Report in section 10 of the Board's Report.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At Tata Power, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future.

For your Company, good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximising long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. As a Company with a strong sense of values and commitment, Tata Power believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of Tata Power's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

This philosophy is reflected and practised through the Tata Code of Conduct (TCOC), the Tata Business Excellence Model and the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". The Company is committed to focus its energies and resources in creating and positively leveraging shareholders' wealth and, at the same time, safeguarding the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

Governance Guidelines

The Company has adopted Governance Guidelines to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, subsidiary oversight, Code of Conduct, Board effectiveness review and mandates of Board Committees. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations, when required. Further, these guidelines allow the Board to make decisions that are independent of the management.

The Company has adopted the requirements of Corporate Governance as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the disclosure requirements of which are detailed hereunder.

Board of Directors

Size and composition of the Board

As on 31st March 2018, the Company's Board of Directors comprises 12 members, 2 of whom are Executive Directors, and 10 are Non-Executive Directors (NEDs). Of these 10 NEDs, 6 are Independent Directors. The Board's composition is in compliance with the requirements of Regulation 17 of the Listing Regulations.

These Directors bring in a wide range of skills and experience to the Board. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other companies as on 31st March 2018 are given as below:

Table 1

Sl. No.	Name of Director and Business Relationship	Category of Directorship	No. of other Directorships[1]	No. of Committee positions held[2]	
				Chairman	Member
1.	Mr. N. Chandrasekaran, Chairman	Non-Independent, Non-Executive	6	Nil	Nil
2.	Mr. Hemant Bhargava (Representative of LIC)		5	Nil	1
3.	Mr. Saurabh Agrawal		7	1	3
4.	Mr. Banmali Agrawala		5	Nil	Nil
5.	Mr. Nawshir H. Mirza	Independent, Non-Executive	6	4	1
6.	Mr. Deepak M. Satwalekar		2	1	Nil
7.	Ms. Anjali Bansal		4	Nil	1
8.	Ms. Vibha Padalkar		3	1	Nil
9.	Mr. Sanjay V. Bhandarkar		3	Nil	2
10.	Mr. Kesava M. Chandrasekhar		Nil	Nil	Nil
11.	Mr. Anil Sardana, CEO & Managing Director	Executive	4	Nil	Nil
12.	Mr. Ashok S. Sethi, COO & Executive Director		5	Nil	Nil

Notes:

- There are no inter-se relationships between our Board members.
- [(1)]Excludes directorship in Tata Power, alternate directorships and directorships in private companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (the Act).
- [(2)]Includes memberships/chairmanships of the Audit Committee of Directors and Stakeholders Relationship Committee of Indian public companies (excluding Tata Power).
- None of the Directors is a member of more than 10 committees or acted as chairperson of more than 5 committees across all the public limited companies in which he/she was a Director.

The necessary disclosures regarding committee positions have been made by the Directors. Only Audit Committee and Stakeholders Relationship Committee has been taken into consideration for the purpose of ascertaning limt.

- None of the Directors held directorship in more than 20 Indian companies including 10 public limited companies.
- None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- Mr. Anil Sardana, CEO & Managing Director and Mr. Ashok S. Sethi, COO & Executive Director are not Independent Directors of any other listed company.
- All Independent Directors of the Company have been appointed as per the provisions of the Act. Formal letters of appointment have been issued to the Independent Directors.

Changes in Board Composition

Changes in board composition during FY18 and upto the date of this report, are tabled below:

Table 2

Sl. No.	Name of the Director	Nature of change	Date of change
1.	Dr. Homiar S. Vachha	Consequent upon attaining 75 years of age, Dr. Vachha ceased to be a Director, as required by the Retirement Policy of the Company	23rd April 2017
2.	Mr. K. M. Chandrasekhar	Appointed as an additional Director in an independent non-executive capacity	4th May 2017
3.	Mr. Pravin H. Kutumbe (Representative of LIC)	Resigned as Director of the Company	20th May 2017
4.	Mr. Hemant Bhargava (Representative of LIC)	Appointed as an additional Director of the Company	24th August 2017
5.	Ms. Sandhya S. Kudtarkar	Resigned as Director of the Company	16th November 2017
6.	Mr. S. Padmanabhan	Resigned as Director of the Company	
7.	Mr. Banmali Agrawala	Appointed as Additional Director in a non-executive capacity	17th November 2017
8.	Mr. Saurabh Agrawal	Appointed as Additional Director in a non-executive capacity	
9.	Mr. Anil Sardana	Resigned as a CEO & Managing Director of the Company	30th April 2018
10.	Mr. Praveer Sinha	Appointed as CEO & Managing Director of the Company	1st May 2018

Term of Board membership

The Nomination and Remuneration Committee (NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They also possess expertise and insights in sectors/areas relevant to the Company, and have ability to contribute to the Company's growth. As per the Governance Guidelines, the retirement age for Managing/Executive Directors, NEDs and Independent Directors is 65 years, 70 years and 75 years, respectively.

Selection and appointment of new directors

The Board is responsible for the selection of new directors. The Board has delegated the screening and selection process involved in selecting new directors to the NRC. Considering the existing composition of the Board and requirement of new domain expertise, if any, the NRC reviews the potential candidates. The assessment of members to the Board is based on a combination of criteria that include ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The NRC then places the details of the shortlisted candidate who meets these criteria, before the Board for its consideration. If the Board approves, the person is appointed as a Director, subject to the approval of the Members at the Company's general meeting.

Letter of appointment

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter *inter alia* containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality etc. The terms and conditions of appointment of Independent Directors are available on the Company's website www.tatapower.com/pdf/Terms-&-conditions-of-IDs-appointment.pdf.

Securities held by NEDs in the Company as on 31st March 2018

Name of Director	No of Equity shares held	No of convertible instruments held
Mr. Sanjay V. Bhandarkar (As a joint holder)	16,262	Nil

Board meetings

Dates for Board meetings in the ensuing year are decided in advance and circulated to all Directors. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors.

With a view to leverage technology and reducing paper consumption, the Company has adopted a digital application for transmitting Board/Committee agendas and notes. The Directors of the Company receive the agenda notes in electronic form through this application, which is accessible through iPads. The application meets high standards of security and integrity that are essential for storage and transmission of sensitive information in electronic form.

Nine Board meetings were held during the year under review and the gap between two meetings did not exceed 120 days. These meetings were held on 19th May 2017, 14th July 2017, 14th August 2017, 10th October 2017, 3rd November 2017, 14th February 2018, 17th February 2018, 23rd March 2018 and 29th March 2018. One separate meeting of Independent Directors was also held on 23rd March 2018.

Attendance of directors during FY18

Table 3

Sl. No.	Name of Director	Category of Directorship	Attendance at AGM on 23rd August 2017	No. of Board Meetings held during tenure (A)	No. of Board Meetings attended (B)	% of attendence (B/A)
1.	Mr. N. Chandrasekaran, Chairman	Non-Independent, Non-Executive	Yes	9	8	89
2.	Mr. S. Padmanabhan[(1)]		Yes	5	5	100
3.	Mr. Pravin H. Kutumbe [(2)] (Representative of LIC)		NA	1	1	100
4.	Mr. Hemant Bhargava[(3)] (Representative of LIC)		NA	5	5	100
5.	Ms. Sandhya S. Kudtarkar[(1)]		Yes	5	5	100
6.	Mr. Saurabh Agrawal[(4)]		NA	4	4	100
7.	Mr. Banmali Agrawala[(4)]		NA	4	3	75
8.	Dr. Homiar S. Vachha[(5)]	Independent, Non-Executive	NA	Nil	Nil	0
9.	Mr. Nawshir H. Mirza		Yes	9	8	89
10.	Mr. Deepak M. Satwalekar		Yes	9	9	100
11.	Ms. Anjali Bansal		Yes	9	9	100
12.	Ms. Vibha Padalkar		No	9	8	89
13.	Mr. Sanjay V. Bhandarkar		Yes	9	9	100
14.	Mr. K. M. Chandrasekhar		No	9	8	89
15.	Mr. Anil Sardana, CEO & Managing Director	Executive	Yes	9	9	100
16.	Mr. Ashok S. Sethi, COO & Executive Director		Yes	9	9	100

(1) Resigned as Director effective 16th November 2017.
(2) Resigned as Director effective 20th May 2017.
(3) Appointed as additional Director effective 24th August 2017.
(4) Appointed as additional Director effective 17th November 2017.
(5) Ceased to be Director effective 23rd April 2017.

Information provided to the Board

The Board has unrestricted access to all Company-related information. At Board/Committee meetings, department heads and representatives who can provide additional insights into the items being discussed, are invited. The Company provides the following information *inter alia* to the Board, which is given either as part of the agenda papers or by way of presentations during the meetings, as deemed appropriate:

- Annual operating plans and budgets, capital budgets and other updates.
- Quarterly, half-yearly and annual financial results of the Company and its operating divisions or business segments.
- Detailed presentations on business strategy and future outlook of the Company.
- Minutes of meetings of committees of the Board.
- Subsidiary companies' minutes, financial statements and significant transactions and investments.
- The information on recruitment & removal and remuneration of key executives just below the Board level, including Chief Financial Officer and the Company Secretary.
- Significant regulatory matters concerning Indian or foreign regulatory authorities.

- Issues which involve possible public or product liability claims of a substantial nature, if any.
- Detailed analysis of potential acquisition targets or possible divestments.
- Details of any joint venture or collaboration agreements.
- Transactions that involve substantial payment toward goodwill, brand equity or intellectual property.
- Significant sale of investments, subsidiaries or assets which are not in the normal course of business.
- Materially important show cause, demand, prosecution and penalty notices, if any.
- Fatal or serious accidents or dangerous occurrences, if any.
- Significant effluent or pollution problems, if any.
- Material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
- Significant labour problems and their proposed solutions, if any.
- Significant developments in the human resources and industrial relations fronts.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory nature or listing requirements as well as shareholders' services such as non-payment of dividend and delays in share transfer, if any.

Post meeting follow up mechanism

The important decisions taken at Board/Committee meetings are communicated to the concerned departments/divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Committee for information and further recommended action(s), if any.

Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on 23rd March 2018. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman, after taking into account the view of Executive Director(s) & Non-Executive Director(s). They also assessed the quality, quantity and timeliness of flow of information between the Company's management to the Board.

Annual Strategy Board Meet

An Annual Strategy Board meet was organised on 10th October 2017. As a part of the agenda, the Board conducted a strategy review of the Company's business segments, and also future growth, risk orientation and resource optimization.

Details of familiarisation programmes for Directors including Independent Directors

All Board members of the Company are afforded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

An offsite Board familiarisation programme was held on 29th March 2018 for the Board members where various internal and external speakers provided inputs on varied industry related topics. The web link containing details of the familiarisation programmes is http://www.tatapower.com/pdf/familiarisation-programme-for-directors.pdf.

In addition to the above, the Company has an exclusive web based information portal, which is made available to all Directors. This has sections on Company matters; Laws & Regulations; Sustainability aspects; Company's quarterly progress on various operating units, projects under construction etc.

Code of Conduct

The Company has adopted the Code of Conduct for NEDs which includes details as laid down in Schedule IV to the Act. The web link for the same is www.tatapower.com/aboutus/pdf/Code-of-Conduct-NEDs.pdf. The Company has also adopted the TCOC for all its employees including CEO & Managing Director and COO & Executive Director. The web link for the same is www.tatapower.com/tcoc2015.pdf. All Board members and senior management personnel have affirmed compliance with their respective Code of Conduct. The CEO & Managing Director has also confirmed and certified the same. This certification is reproduced at the end of this Report.

Remuneration to Directors

Details of remuneration to NEDs during and for the year under review:

[Gross Amount (₹)] *Table 4*

Sl. No.	Name of the Director	Sitting Fees paid during FY18	Commission for FY18*
1.	Mr. N. Chandrasekaran, Chairman $	4,50,000	0
2.	Mr. S. Padmanabhan #	3,90,000	0
3.	Mr. Pravin H. Kutumbe (Representative of LIC)@	30,000	1,50,000
4.	Mr. Hemant Bhargava (Representative of LIC)@	1,50,000	11,00,000
5.	Ms. Sandhya S. Kudtarkar #	1,50,000	0
6.	Mr. Saurabh Agrawal #	2,10,000	0
7.	Mr. Banmali Agrawala #	1,50,000	0
8.	Dr. Homiar S. Vachha	0	0

Sl. No.	Name of the Director	Sitting Fees paid during FY18	Commission for FY18*
9.	Mr. Nawshir H. Mirza	7,20,000	95,50,000
10.	Mr. Deepak M. Satwalekar	6,90,000	81,00,000
11.	Ms. Anjali Bansal	5,70,000	40,00,000
12.	Ms. Vibha Padalkar	7,20,000	40,00,000
13.	Mr. Sanjay V. Bhandarkar	7,20,000	43,00,000
14.	Mr. K. M. Chandrasekhar	2,70,000	18,00,000

* Commission relates to the financial year ended 31st March 2018, which was approved by the Board on 2nd May 2018, to be paid during FY19.

$ As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving Commission from the Company.

In line with internal guidelines of the Company, no payment is made towards Commission to the NEDs of the Company, who are in full time employment with any other Tata company.

@ Sitting fees for attending meetings and the Commission is paid to LIC.

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors' Sitting Fees and Commission received by them. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

The NEDs are paid remuneration by way of Commission and Sitting Fees. The distribution of Commission amongst the NEDs is placed before the NRC and the Board. The Commission payment for the financial year ended 31st March 2018 was distributed broadly on the following basis:

1. Number of meetings of the Board and substantive Committees of the Board attended;
2. Role and responsibility as Chairman/Member of the Board/ Committee;
3. Individual contribution at meetings; and
4. Time spent other than in meetings relating to the operations of the Company.

Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961 to the CEO & Managing Director and COO & Executive Director during the year under review:

(₹) *Table 5*

Sl. No.	Name	Salary & Allowances	@ Commission for FY18	Perquisites & Benefits	Retirement Benefits	Total
1.	Mr. Anil Sardana, CEO & Managing Director	2,67,32,506	6,50,00,000	7,01,351	29,97,000	9,54,30,857
2.	Mr. Ashok S. Sethi COO & Executive Director	1,68,72,167	1,90,00,000	1,11,870	7,92,000	3,67,76,037

@ Commission (variable component) relates to the financial year ended 31st March 2018, which was approved by the Board on 2nd May 2018, to be paid during FY19.

Salient features of the agreements executed by the Company with Mr. Sardana and Mr. Sethi:

Table 6

Terms of Agreement	Mr. Anil Sardana CEO & Managing Director	Mr. Ashok S. Sethi COO & Executive Director
Period of appointment	1.2.2016 to 31.1.2021	1.4.2017 to 30.4.2019
Remuneration	Basic salary upto a maximum of ₹ 14,00,000 p.m.	Basic salary upto a maximum of ₹ 7,00,000 p.m.
Commission	At the discretion of the Board within the limits stipulated under the Act.	
Incentive Remuneration	At the discretion of the Board, not exceeding 200% of basic salary.	
Benefits, perquisites and allowances (excluding Company's contribution to Provident Fund, Superannuation, Gratuity, Leave Encashment)	As may be determined by the Board from time to time.	
Notice period	The Agreements may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof.	
Severance fees	There is no separate provision for payment of severance fees.	
Stock Option	Nil	

The above agreements are contractual in nature.

Board Committees

Mandatory Committees

The Company has constituted the following mandatory Committees:

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Audit Committee of Directors

The Committee comprises the following as on 31st March 2018:

- Mr. N. H. Mirza, Chairman
- Ms. Vibha Padalkar
- Mr. S. V. Bhandarkar
- Mr. Saurabh Agrawal

All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

The Committee met 11 times during the year under review. These meetings were held on 15th May 2017, 17th May 2017, 10th July 2017, 4th August 2017, 11th August 2017, 2nd November 2017, 12th December 2017, 12th February 2018, 12th March 2018, 22nd March 2018 and 29th March 2018, with the requisite quorum. The attendance details of these meetings are as follows:

Table 7

Name of the Director	No. of Meetings held during tenure (A)	No. of Meetings attended (B)	% of Attendence (B/A)
Mr. N. H. Mirza, Chairman	11	11	100
Ms. Vibha Padalkar	11	11	100
Mr. S. V. Bhandarkar	11	11	100
Mr. S. Padmanabhan[1]	6	6	100
Mr. Saurabh Agrawal[2]	3	3	100

[1] Consequent upon his resignation as director of the Company, Mr. Padmanabhan ceased to be member of the Committee effective 16th November 2017.

[2] Appointed as member of the Committee effective 28th February 2018.

The management is responsible for processes on internal controls and the financial reporting for the Company while the Statutory Auditors are responsible for performing independent audits of the Company's financial statements for issuing reports based on such audits.

The Board of Directors has entrusted this Committee with the responsibility of supervising these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Company has adopted the Charter of this Committee to bring the terms of reference, role and scope in conformity with the provisions of Section 177(4) of the Act and Regulation 18(3) read with Part C of Schedule-II of the Listing Regulations. The Charter specifies the composition, meetings, quorum, powers, roles and responsibilities, etc. of the Committee.

The role and responsibilities of the Audit Committee are:

- Oversight of the Company's financial reporting processes and disclosure of financial information to ensure that the financial statements are correct, complete, consistent with information known to the Committee members, sufficient and credible.
- Reviewing, with management, the quarterly/annual financial statements and Auditor's Report thereon, before submission to the Board for approval, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  - Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgement by management.
  - Modified opinion(s) in the draft audit report.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - The going concern assumption.
  - Compliance with accounting standards and accounting principles.
  - Compliance with stock exchange, legal and regulatory requirements concerning financial statements.
  - Approval of any related party transactions.
- The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements.
- Scrutinize inter-corporate loans and investments.
- Conduct a valuation of undertakings or assets of the Company, wherever it is necessary.
- To consider the valuation report submitted by an Independent Chartered Accountant pursuant to a Scheme of Arrangement (Amalgamation/Merger/Reconstruction/Reduction of Capital etc.) and furnish a report recommending the draft scheme, taking into consideration, *inter alia*, the aforementioned valuation report.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees and terms of appointment.
- Discuss with Statutory Auditor, before the audit commences, the nature and scope of audit plan as well as post-audit discussion/review to ascertain any area of concern and the coordination of audit effort.
- Review with Statutory Auditor, any audit problems or difficulties and management's response and resolve any disagreements of the Statutory Auditor with the management regarding financial reporting.
- Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
- Review the adequacy of internal audit function, including the structure and charter of the internal audit department (including outsourced internal audit firms), staffing and seniority of the official heading the department, reporting structure coverage budget and frequency of internal audit.

- Review the appointment, removal and terms of remuneration of the Chief Internal Auditor and external internal auditors.
- Appointment of Cost Auditors.
- Evaluate on a regular basis the adequacy of risk management systems.
- Review with the management, performance of Statutory and Internal Auditors and outsourced internal audit firms, the quality, adequacy and effectiveness of internal control systems and any significant deficiencies or material weakness in the internal controls.
- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- Review the functioning of the vigil mechanism.
- Subsidiary company oversight.
- Review the financial statements, in particular, the investments made by the unlisted subsidiary.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.

The Board has delegated the following powers to this Committee:

- Investigate any activity within the scope of its Charter or referred to it by the Board.
- Appoint, compensate and oversee the work of any registered public accounting firm employed by the Company.
- Pre-approve all audit and non-audit services.
- Seek any information from any employee or Director of the Company.
- Engage independent counsel and other advisors and seek their advice.
- Secure attendance of outsiders with relevant expertise.
- Have full access to the books of accounts, company facilities, employees and any other service provider to the Company.
- Meet with Company officers, external auditors, or outside counsel, as necessary.
- Engage a valuer where a valuation needs to be made for any property, stock, shares, debentures, or goodwill or any other assets or net worth of the Company or its liabilities.

The Committee invites such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The CEO & Managing Director, COO & Executive Director, Chief Financial Officer and head of Internal Audit attend the meetings as per invitation by the Committee. The Statutory Auditors are also invited to the meetings, as and when required. Mr. H. M. Mistry, the Company Secretary, acts as the Secretary of the Committee.

The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee. Separate discussions are held with the Internal Auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. The permissible non-audit related services undertaken by the Statutory Auditors are also pre-approved by the Committee.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), the Board of Directors of the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code) to be followed by Directors, employees and other connected persons. The Code is based on the principle that Directors and the employees of the Company owe a fiduciary duty to, among others, the Members of the Company to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code. Under the Code, the Committee is empowered:

- To approve policies in relation to the implementation of the Code and to supervise implementation of the Code.
- To note and take on record the status reports detailing the dealings by Designated Persons in securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.

In terms of this Code, Mr. Ramesh N. Subramanyam, CFO continues to be 'Compliance Officer' and Mr. Kasturi Soundararajan, Chief–Corporate Treasury & IR is designated as the 'Chief Investor Relations Officer'.

Nomination and Remuneration Committee

The Committee comprises the following as on 31st March 2018:

- Mr. D. M. Satwalekar, Chairman
- Mr. N. Chandrasekaran
- Ms. Anjali Bansal

The Committee met 5 times during the year under review. These meetings were held on 18th May 2017, 29th September 2017, 27th November 2017, 13th March 2018 and 15th March 2018.

The attendance details of these meetings are as follows:

Table 8

Name of the Director	No. of Meetings held during tenure (A)	No. of Meetings attended (B)	% of Attendence (B/A)
Mr. D. M. Satwalekar, Chairman	5	5	100
Ms. Anjali Bansal	5	5	100
Mr. N. Chandrasekaran	5	5	100

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule-II of the Listing Regulations, the Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has adopted the Policy on Board Diversity & Director Attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which are attached as Annexures II and III to the Board's Report. The Board has also adopted a Charter of this Committee which specifies its principles, objectives, composition, meetings, authority and powers, responsibilities, reporting and evaluation etc. of the Committee.

In addition to the duties cast under Section 178 of the Act, the other responsibilities of this Committee are releted to:

- Board composition and succession
- Evaluation
- Remuneration
- Board development
- Review of HR strategy, philosophy and practices
- Other functions.

The Board has delegated the following powers to this Committee:

- Investigate any activity within the scope of its Charter or referred to it by the Board.
- Seek any information or explanation from any employee or Director of the Company.
- Ask for any records or documents of the Company.
- In the context of any of the above, it may also engage independent consultants and other advisors and seek their advice.

Board Evaluation

The Board carries out an annual evaluation of its own performance, as well as the working of its Committees. The Board works with the Committee to lay down the criteria for the performance evaluation. Feedback-cum-assessment of individual Directors, the Board as a whole and its Committees is conducted. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

Corporate Social Responsibility Committee

The Committee comprises the following as on 31st March 2018:

- Ms. Anjali Bansal, Chairperson
- Mr. D. M. Satwalekar
- Mr. Anil Sardana

Consequent upon resignation of Mr. Sardana effective 30th April 2018, Mr. Parveer Sinha was appointed as member of the Committee effective 2nd May 2018.

During the year under review, the Committee met 4 times on 13th July 2017, 29th September 2017, 20th December 2017 and 28th February 2018. The attendance details of these meetings are as follows:

Table 9

Name of the Director	No. of Meetings held during tenure (A)	No. of Meetings attended (B)	% of Attendence (B/A)
Ms. Anjali Bansal, Chairperson	4	4	100
Mr. D. M. Satwalekar	4	4	100
Mr. Anil Sardana[(1)]	4	4	100
Mr. Praveer Sinha [(2)]	0	0	0

[(1)] Consequent upon his resignation as director of the Company, Mr. Sardana ceased to be member of the Committee effective 30th April 2018.

[(2)] Appointed as member of the Committee effective 2nd May 2018.

The Company has adopted a CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the Company website www.tatapower.com.

The broad terms of reference of the Committee are as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or may be prescribed by the rules thereto;
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause; and
- Monitor the CSR Policy of the Company from time to time.

Stakeholders Relationship Committee

The Committee comprises the following as on 31st March 2018:

- Mr. S. V. Bhandarkar, Chairman
- Mr. Banmali Agrawala
- Mr. A. S. Sethi

The Committee met once on 22nd March 2018 during the year under review.

The attendance details of this meeting are as follows:

Table 10

Name of the Director	No. of Meetings held during tenure (A)	No. of Meetings attended (B)	% of Attendence (B/A)
Mr. S. V. Bhandarkar, Chairman	1	1	100
Mr. Banmali Agrawala	1	1	100
Mr. A. S. Sethi	1	1	100

The Committee specifically discharges duties of servicing and protecting the interest of shareholders, redressing investors' complaints and requests.

The Board has adopted the Charter of the Committee which specifies the composition, meetings, quorum, authority and powers, roles and responsibilities etc. of the Committee.

The role and responsibilities of this Committee are to:

- Review statutory compliance relating to all security holders.
- Resolution of the grievances of all security holders. This includes tracking and monitoring of the redressal of all security holders and investor complaints including complaints related to transfer of securities, non-receipt of annual report/declared dividends.
- Oversight of compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund (IEPF).
- Oversight and review of all matters related to the transfer of securities of the Company.
- Ensure setting of proper controls and oversight of performance of the Registrar and Share Transfer Agent.
- Approval of issue of duplicate share certificates of the Company.
- Approval of transmission of securities.
- Review of movements in shareholding and ownership structure of the Company.
- Recommend measures for overall improvement of the quality of investor services.
- Conduct a Shareholder Satisfaction Survey to judge the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various shareholder-friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

The Board has delegated the following powers to this Committee:

- To investigate any activity within the scope of its Charter or referred to it by the Board.
- Seek any information or explanation from any employee or Director of the Company.
- Ask for any records or documents of the Company.
- Engage independent consultants and advisors, including legal counsel or expert, as it deems appropriate.

Name, designation and address of the Compliance Officer:

Mr. H. M. Mistry, Company Secretary
Bombay House, 24, Homi Mody Street, Mumbai 400 001
Tel: 022 6665 7515 Fax: 022 6717 1004

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Mr. H. M. Mistry, Company Secretary as the Compliance Officer. He is authorised to severally approve share transfers/transmissions, in addition to the powers with the members of the Committee. Share transfer formalities are regularly attended to and at least once a fortnight. All investor complaints which cannot be settled at the level of the Compliance Officer, are placed before the Committee for final settlement. The status of total number of complaints received during the year under review is as follows:

Table 11

Sl. No.	Description	Total		
		Received	Replied	Pending
A.	**Letters received from Statutory Bodies**			
	Securities & Exchange Board of India	18	17	1
	Stock Exchanges	4	4	0
	Depositories (NSDL/CDSL)	0	0	0
	Ministry of Corporate Affairs	0	0	0
	Consumer Forum	0	0	0
B.	**Dividends**			
	Non-receipt of dividend/ interest warrants (pending reconciliation at the time of receipt of letters)	4	4	0
	Total	**26**	**25**	**1**

Notes:

- For the 1 unresolved complaint received through the SEBI SCORES System (System), the ATR has been uploaded on the System and the same is pending for closure as on 31st March 2018.
- There were no pending transfers/demats as on 31st March 2018.

Risk Management Committee

The Committee comprises the following as on 31st March 2018:

- Ms. Vibha Padalkar, Chairperson
- Mr. N. H. Mirza
- Mr. K. M. Chandrasekhar
- Mr. Banmali Agrawala
- Mr. A. S. Sethi

The Committee met 4 times during the year. These meetings were held on 19th April 2017, 10th July 2017, 12th December 2017 and 12th March 2018.

The attendance details of these meetings are as follows:

Table 12

Name of the Director	No. of Meetings held during tenure (A)	No. of Meetings attended (B)	% of Attendence (B/A)
Ms. Vibha Padalkar, Chairperson *	4	4	100
Mr. D. M. Satwalekar $	1	1	100
Mr. N. H. Mirza	4	4	100
Mr. K. M. Chandrasekhar *	Nil	Nil	0
Mr. S. Padmanabhan #	1	1	100
Mr. Banmali Agrawala *	1	1	100
Mr. A. S. Sethi	4	4	100
Mr. R. N. Subramanyam *	4	4	100
Mr. P. G. Date *	4	4	100

* w.e.f. 1st March 2018, Ms. Vibha Padalkar, member was appointed as the Chairperson, Mr. K. M. Chandrasekhar and Mr. Banmali Agrawala were appointed as members of the Committee. Mr. R. N. Subramanyam and Mr. P. G. Date stepped down as members and they were made as invitees to the Committee effective 1st March 2018.

$ Mr. D.M. Satwalekar stepped down as member of the Committee effective 23rd April 2017.

\# Consequent upon his resignation as director of the Company, Mr. Padmanabhan ceased to be member of the Committee effective 16th November 2017.

The Board has adopted Risk Management Strategy Document which specifies the objective, benefits of Risk Management, Risk Management Policy, Risk Management Process, Risk Organization Structure, Risk Culture etc. The Risk Management policy is available on the Company's website www.tatapower.com.

The role and responsibilities of this Committee include the following:

- To review Risk Management Policy and its deployment.
- To review Risk Management Framework and its effectiveness and set direction.
- To monitor and review Risk Management Plan.
- To decide the risk appetite of the Company and, accordingly, guide the Board in taking up new investments.
- To review the major risks.
- To report high value risks and its mitigation to the Board.
- Such other functions as may be deemed fit.

Non-mandatory Committees

The following are the non-mandatory Committees of the Board:

Executive Committee of the Board

The Committee comprises the following as on 31st March 2018:

- Mr. N. Chandrasekaran, Chairman
- Mr. D. M. Satwalekar
- Mr. S. V. Bhandarkar
- Mr. Anil Sardana
- Mr. A. S. Sethi

Consequent upon resignation of Mr. Sardana effective 30th April 2018, Mr. Parveer Sinha was appointed as member of the Committee effective 2nd May 2018.

This Committee covers a detailed review of business and strategy review, long-term financial projections and cash flows, capital and revenue budgets and capital expenditure programmes, acquisitions, divestments and business restructuring proposals, senior management succession planning, any other item as may be decided by the Board, before being presented to the full Board.

Committee for Financial Facilities and Bank Accounts

The Committee comprises the following as on 31st March 2018:

- Mr. N. H. Mirza, Chairman
- Mr. Anil Sardana
- Mr. A. S. Sethi

Consequent upon resignation of Mr. Sardana effective 30th April 2018, Mr. Parveer Sinha was appointed as member of the Committee effective 2nd May 2018.

The role of this Committee is to *inter alia* approve assignment of the Company's working capital lines to its subsidiaries and to provide corporate guarantees to secure working capital lines sanctioned to subsidiaries, accept modifications to the terms and conditions of the working capital facilities that may be made by the banks/financial institutions.

Committee of Executive Directors of the Board

The Committee comprises the following as on 31st March 2018:

- Mr. Anil Sardana
- Mr. A. S. Sethi

Consequent upon resignation of Mr. Sardana effective 30th April 2018, Mr. Parveer Sinha was appointed as member of the Committee effective 2nd May 2018.

The role of this Committee is to *inter alia* approve change in operating instructions of the Company's Bank Accounts, submission of Request for Qualification (RFQ) for any project and authorise execution of all documents, including Powers of Attorney, in connection with the same.

General Body Meetings

The details of the last three Annual and/or Extraordinary General Meetings of the Company are as follows:

Table 13

Year ended	Day, Date & Time	Venue	Special Resolutions passed
31st March 2015	Wednesday, 5th August 2015, at 3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.	• Private placement of Non-Convertible Debentures • Increase in limits of investments in other bodies corporate
31st March 2016	Wednesday, 21st September 2016, at 3 p.m.		• Private placement of Non-Convertible Debentures • Increase in limits of investments in other bodies corporate
31st March 2017	Wednesday, 23rd August 2017, at 3 p.m.		• Private placement of Non-Convertible Debentures/Bonds

During the year under review, while no special resolution has been passed through the exercise of postal ballot, the Company is in process of passing two ordinary resolutions through postal ballot viz. for the sale of (i) 59,08,82,000 Equity Shares held in Panatone Finvest Limited (Panatone) to Tata Sons Limited and (ii) 1,33,96,200 Equity Shares held in Tata Communications Limited to Panatone. Currently, no special resolution is proposed to be conducted through postal ballot.

During the year, pursuant to the Order dated 6th December 2017 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench in the Company Scheme Application No. 492 of 2017, a meeting of the Equity Shareholders of the Company was held at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020 on Monday, 19th February 2018 at 11:00 a.m. for the purpose of considering the arrangement embodied in the Scheme of Arrangment amongst the Company, Tata Power Renewable Energy Limited, Supa Windfarm Limited, Nivade Windfarm Limited and Tata Power Green Energy Limited and their respective shareholders and creditors.

Means of Communication to the shareholders

Quarterly Results: Quarterly and half-yearly reports are published in the following newspapers:

Table 14

Name of the Newspaper	Region	Language
Indian Express – All editions	Ahmedabad, Vadodara, Mumbai, Chandigarh, New Delhi, Kolkata, Lucknow, Nagpur and Pune	English
Financial Express	Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Hyderabad, Bengaluru, Kochi and Chennai	English
Loksatta – All editions	Ahmednagar, Mumbai, Pune, Nagpur, Aurangabad and New Delhi	Marathi
Jam-e-Jamshed Weekly	Mumbai	Gujarati
Vyapar + Phulchhab	Mumbai and Rajkot	Gujarati

Annual Reports: The Annual Reports are emailed/posted to Members and others entitled to receive them.

News Releases, Presentations etc.: Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website. Official media releases, sent to the Stock Exchanges, are given directly to the press.

Website: Comprehensive information about the Company, its business and operations, Press Releases and investor information can be viewed at the Company's website www.tatapower.com. The 'Investor Relations' section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding pattern, presentations made to analysts etc.

NSE Electronic Application Processing System (NEAPS) and BSE Online Portal: The Company also submits to NSE all disclosures and intimations through NEAPS portal. Similar filings are made to BSE on their online Portal - BSE Corporate Compliance & Listing Centre.

Extensive Business Reporting Language (XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) has mandated to file financials of the Company for the year 2016-17 onwards only in the XBRL mode.

Web-based Query Redressal System: Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the 'Investor Relations' section.

SEBI Complaints Redress System (SCORES): A centralised web-based complaints redressal system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned company and online viewing by the investors of actions taken on the complaint and its current status.

General Shareholder Information

(a) Details of AGM : Friday, 27th July 2018 at 3:00 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.

(b) Financial Year : 1st April 2017 to 31st March 2018

(c) Dividend Payment Date : On and from 30th July 2018

(d) Listing on Stock Exchanges :

(i) Listing of Equity Shares : The Company's Equity Shares are listed on two Stock Exchanges in India viz.

(a) BSE Limited (BSE) *(Regional Stock Exchange)*, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and,

(b) National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

(ii) Listing of GDS and GDRs: In February 1994, the Company jointly with the erstwhile The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited issued Global Depository Shares (GDS) in the International Market which have been listed on Luxembourg Stock Exchange, 35 Boulevard Joseph II, 1840, Luxembourg and have been accepted for clearance through Euroclear and Cedel. They have also been designated for trading in the PORTAL System of the National Association of Securities Dealers, Inc.

In July 2009, the Company raised USD 335 million through offering of Global Depositary Receipts (GDRs). The GDRs are listed and traded in Euro MTF market of Luxembourg Stock Exchange and are also available for trading on IOB (International Order Board) of London Stock Exchange.

Number of outstanding Global Depository Shares (GDS) as on 31st March 2018:

- 436 (Issued in 1994 to Citibank NA)
- 2,46,476 (Issued in 2009 to Bank of New York, Mellon)

(iii) Listing of Debt Securities: The following series of Debentures issued by the Company are listed as under:

Table 15

Sl. No.	Series	Amount outstanding as on 31/3/2018 (₹ crore)	Listed on	Name of the Debenture Trustee with full contact details
1.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500	NSE	SBICAP Trustee Company Ltd. Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai 400 020. Tel : 022 4302 5555 Fax : 022 2204 0465 E-mail : helpdesk@sbicaptrustee.com
2.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500	NSE	
3.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	138	NSE	Centbank Financial Services Limited Central Bank of India - MMO Bldg., 3rd Floor (East Wing), 55, Mahatma Gandhi Road, Fort, Mumbai 400 001. Tel : 2261 6217 Fax : 2261 6208 E-mail : info@cfsl.in
4.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	175	NSE	
5.	9.40% Redeemable Transferable Secured Non-Convertible Debentures	210	NSE	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001. Tel : 4080 7000 Fax : 6631 1776 E-mail : itsl@idbitrustee.com
6.	10.75% Unsecured Debentures	1500	NSE	
7.	11.40% Perpetual Bonds	1500	BSE & NSE	
8.	9.48% Unsecured, Redeemable, Non-convertible Debentures	500	NSE	
9.	9.41% Unsecured, Redeemable, Non-convertible Debentures	500	NSE	
10.	7.70% Unsecured, Redeemable, Non-convertible Debentures	1875	NSE	
11.	7.79% Unsecured, Redeemable, Non-convertible Debentures	1500	BSE	

The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2017-18.

(e) **Stock Code (For Equity Shares):**

Table 16

BSE Limited (physical form) (demat form)	 400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

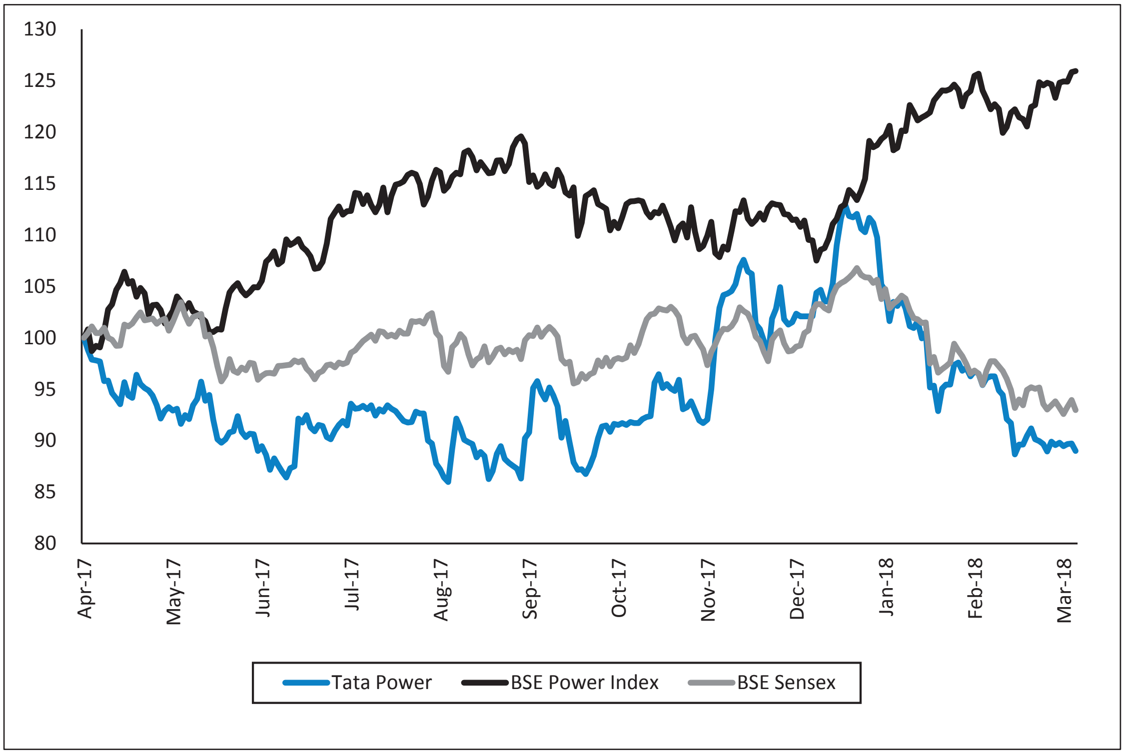
(f) **Market Price Data:** Month wise High, Low and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below :

Table 17

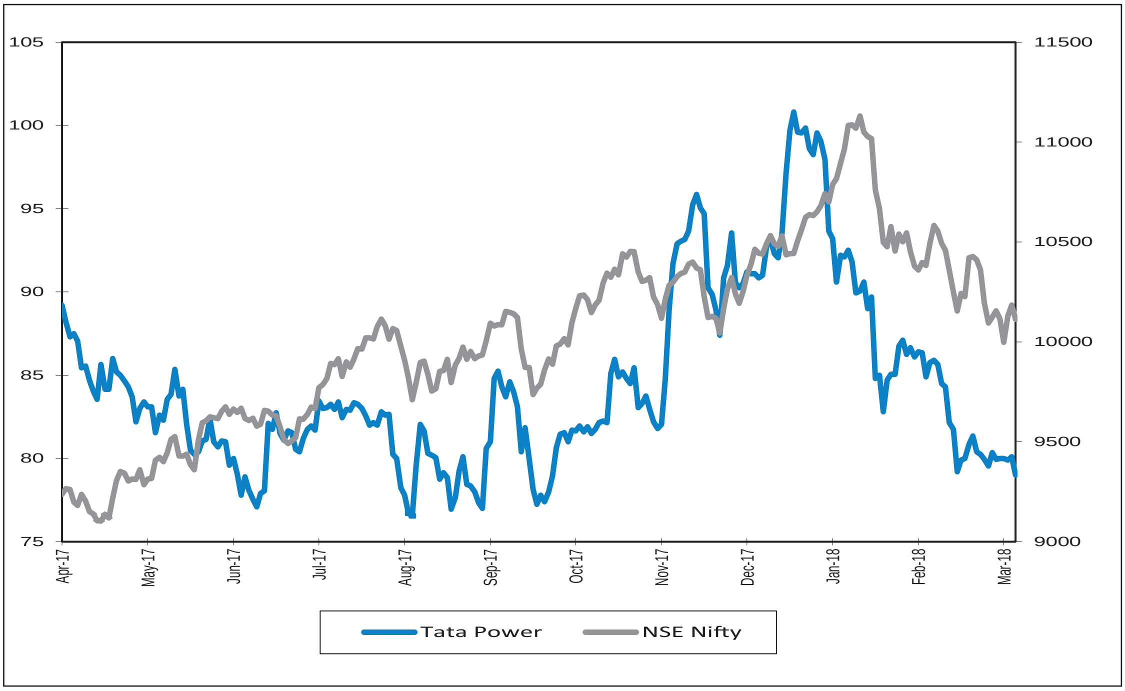
Stock Exchange	BSE			NSE		
Month	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April 2017	89.15	83.40	77,54,599	89.20	83.55	11,15,65,234
May 2017	85.35	80.05	77,56,324	85.35	80.25	8,29,16,083
June 2017	82.45	77.05	62,92,879	82.75	77.10	8,41,22,771
July 2017	83.45	80.35	50,57,660	83.45	80.40	7,18,08,623
August 2017	82.75	76.65	55,02,989	82.80	76.55	8,86,72,609
September 2017	85.40	76.95	1,46,64,339	85.25	77.00	18,41,92,590
October 2017	86.00	77.35	84,72,919	85.95	77.40	9,09,18,225
November 2017	95.90	81.75	1,87,04,793	95.85	81.80	22,54,11,132
December 2017	93.85	87.50	2,60,92,510	93.55	87.40	13,97,86,391
January 2018	100.80	89.10	2,07,95,983	100.80	89.00	22,03,21,427
February 2018	89.60	82.80	96,35,186	89.70	82.80	10,59,84,102
March 2018	84.20	79.05	1,03,42,460	84.30	79.00	10,25,47,338

(g) **Performance of the Company share price in comparison to BSE Power Index and BSE Sensex:**

(i) Normalised the Company share price in comparison to BSE Sensex and Power Index:



(ii) Performance of the Company share price in comparison to NSE Nifty:



(h) None of the Company's securities have been suspended from trading.

(i) (i) **Registrars and Share Transfer Agents:** TSR Darashaw Limited (TSRDL), 6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio), 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Tel. : 022 6656 8484, Fax : 022 6656 8494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

(ii) **Branches of TSRDL**

1. 503, Barton Centre, 5th floor, 84, Mahatma Gandhi Road, Bengaluru 560 001.
   Tel : 080 2532 0321, Fax : 080 2558 0019; E-mail : tsrdlbang@tsrdarashaw.com
2. Bungalow No.1, 'E' Road, Northern Town, Bistupur, Jamshedpur 831 001.
   Tel : 0657 242 6616, Fax : 0657 242 6937; E-mail: tsrdljsr@tsrdarashaw.com
3. Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata 700 071.
   Tel : 033 2288 3087, Fax : 033 2288 3062; E-mail : tsrdlcal@tsrdarashaw.com
4. Plot No.2/42, Sant Vihar, Ansari Road, Darya Ganj, New Delhi 110 002.
   Tel : 011 2327 1805, Fax : 011 2327 1802; E-mail : tsrdldel@tsrdarashaw.com

(iii) **Agent of TSRDL**

Shah Consultancy Services Pvt. Limited
3, Sumatinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad - 380 006
Telefax : 079 2657 6038, E-mail : shahconsultancy8154@gmail.com

(j) **Share Transfer System:** Share transfers in physical form can be lodged with TSRDL at the abovementioned addresses.Transfers are normally processed within 15 days from the date of receipt. If the documents are complete in all respects, Mr. H. M. Mistry, the Company Secretary and Compliance Officer is empowered to approve transfers, in addition to the powers with the Members of the Stakeholders Relationship Committee.

For the convenience of Members, transfer documents and letters are also accepted at the abovementioned branches/agency of TSRDL.

(k) **Shareholding details of the Company:**

i. Distribution of Shares as on 31st March 2018:

Table 18

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 5000	2,70,32,365	13,05,05,781	15,75,38,146	5.83	20,790	90.29	2,91,716	95.51	3,12,506	95.15
5001 - 10000	1,11,41,173	5,28,86,294	6,40,27,467	2.37	1,629	7.08	7,477	2.45	9,106	2.78
10001 - 20000	56,02,740	4,85,32,308	5,41,35,048	2.00	405	1.76	3,486	1.14	3,891	1.18
20001 - 30000	25,67,715	2,51,68,036	2,77,35,751	1.03	106	0.46	1,025	0.33	1,131	0.34
30001 – 40000	18,00,088	1,55,67,842	1,73,67,930	0.64	51	0.22	449	0.15	500	0.15
40001 - 50000	8,78,565	1,19,16,616	1,27,95,181	0.47	20	0.09	266	0.09	286	0.09
50001 - 100000	10,76,400	3,33,30,148	3,44,06,548	1.27	17	0.07	478	0.16	495	0.15
100001 and above	22,35,820	233,45,31,619	233,67,67,439	86.39	8	0.03	512	0.17	520	0.16
Total	**5,23,34,866**	**265,24,38,644**	***270,47,73,510**	**100.00**	**23,026**	**100.00**	**3,05,409**	**100.00**	**3,28,435**	**100.00**

**Excluding 28,32,060 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Co. Ltd. cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature at Bombay.*

ii. Shareholding pattern as on 31st March 2018:

Table 19

Particulars	Equity Shares of ₹ 1 each	
	No. of Shares	%
Promoters (including Promoter Group)	89,32,00,466	33.02
Directors and their relatives	36,862	0.00
Insurance Companies	47,49,95,961	17.56
Financial Institutions/Banks	1,62,73,138	0.60
Mutual Funds/UTI	14,56,34,652	5.38
Clearing Members	50,98,285	0.19
Corporate Bodies	1,90,19,726	0.70

Particulars	Equity Shares of ₹ 1 each	
	No. of Shares	%
Body Corporate-NBFC	59,359	0.00
Limited Liability Partnership-LLP	2,68,922	0.01
Alternate Investment Fund	8,00,000	0.03
Trusts	29,81,932	0.11
Resident Individuals & HUF	34,94,31,316	12.92
Central/State Governments	2,91,420	0.01
Foreign Institutional Investors	1,08,64,662	0.40
Foreign Portfolio Investors – Corporate	75,01,69,020	27.74
Foreign Banks	6,47,275	0.02
OCBs	4,400	0.00
Foreign Nationals DR	2,82,200	0.01
Foreign Bodies DR	19,340	0.00
Global Depository Receipts	28,57,260	0.11
Non-Resident Indians	2,55,79,019	0.96
IEPF Suspense A/c	62,58,295	0.23
Total	**270,47,73,510**	**100.00**

iii. Top 10 Shareholders of the Company as on 31st March 2018:

Table 20

Sl. No.	Name of Shareholder	Total holdings	% to capital
1	Tata Sons Limited	83,97,99,682	31.05
2	Life Insurance Corporation of India	31,79,60,364	11.76
3	Matthews Pacific Tiger Fund	17,79,49,592	6.58
4	First State Investments Icvc - Stewart Investors Global Emerging Markets Leaders Fund	10,78,04,751	3.99
5	ICICI Prudential Balanced Fund	8,14,15,323	3.01
6	The New India Assurance Company Limited	6,57,04,953	2.43
7	General Insurance Corporation of India	6,55,62,960	2.42
8	Tata Steel Limited	3,91,22,725	1.45
9	Stewart Investors Global Emerging Markets Leaders Fund	3,72,00,828	1.38
10	First State Investments Global Emerging Markets Leaders Fund, A Sub-Fund of the First State Investments Delaware Statutory Trust	2,71,66,790	1.00
	Total	**175,96,87,968**	**65.07**

(l) **Dematerialisation of Shares as on 31st March 2018 and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Table 21

Particulars of Shares	Shares of ₹ 1 each		Shareholders	
Dematerialised form	**Number**	**% to total**	**Number**	**% to total**
NSDL	257,44,19,635	95.18	1,98,756	60.52
CDSL	7,80,19,009	2.88	1,06,653	32.47
Sub-total	**265,24,38,644**	**98.06**	**3,05,409**	**92.99**
Physical form	5,23,34,866	1.94	23,026	7.01
Total	**270,47,73,510**	**100.00**	**3,28,435**	**100.00**

(m) **Commodity price risk or foreign exchange risk and hedging activity:**

The Company is exposed to risk from market fluctuations of coal price for its imported coal-based power plant in India and also for sale of coal from its coal mines in Indonesia. The Company is in the process of setting up risk management framework for hedging the coal price risk.

(n) **Plant location of the Company and group companies:**

Table 22

Type of plants	**Address of plants**
Thermal Power Generating Plants	Trombay Generating Station, Mahul Road, Chembur, Mumbai, Maharashtra
	Jojobera Power Plant, Jojobera, Jamshedpur, Jharkhand
	Haldia Power Plant, HFC Complex, Patikhali Haldia, East Medinipur, West Bengal
	Mundra Ultra Mega Power Plant, Tunda-Vandh Road, Village Tunda Taluka Mundra , Kutchh, Gujarat (owned by Coastal Gujarat Power Ltd., a wholly owned subsidiary)
	Maithon Right Bank Thermal Power Plant, Village Dambhui, PO Barbindia Thana Nirsa, District Dhanbad, Jharkhand (owned by Maithon Power Ltd., a subsidiary)
	C/o-Tata Steel Ltd., Kalinganagar, Jajpur, Jajpur Road ,Dubri, Odisha, India (owned by Industrial Energy Ltd.)
	Citra Kusuma Perdana,Sangatta, East Kalimantan province in Indonesia
	Rithala CCGT Power Plant, 2/9, Sub Station Building, Behind Char Dham Apartment, Sector 9, Rohini, New Delhi
Hydro Generating Stations	Generating Station, Bhira P O Bhira, Taluka Mangaon, District Raigad, Maharashtra
	Generating Station, Bhivpuri, P O Bhivpuri Camp, Taluka Karjat, District Raigad, Maharashtra
	Generating Station, Khopoli, P.O. - Khopoli Power House, District Raigad, Maharashtra
	Generating Station, ItezhiTezhi Power Corporation, Plot 3039, Makishi Road, Fairview, Post Net 239, Private Bag E891, Manda Hill, Lusaka, Zambia
	Dagachhu Hydro Power Corporation Ltd., Dagapela, Dagana, Bhutan
Wind Farms	Villag - Shahjahanpur&Pimpalgaon, Taluka Parner, District Ahmednagar, Maharashtra
	Village - Khandke, Taluka & District Ahmednagar, Maharashtra
	Village - Valve, Taluka Sakri, District Dhulia, Maharashtra
	Village - Sadawaghapur, Taluka – Patan, District Satara, Maharashtra
	Village - Kannarwadi, Hiwarwadi & Agaswadi, Taluka Khatav, District Satara, Maharashtra
	Village - Sawarghar and Niwade, Taluka Patan, District Satara, Maharashtra
	Visapur Wind Farm, Village Kokrale, Visapur, Girijashankar wadi & Rajachekurle, Taluka Khatav, District Satara, Maharashtra
	Agaswadi Wind Farm, Taluka Maan, District Satara, Maharashtra
	Visapur Girijashankar Wadi District Satara, Maharashtra [owned by Tata Power Renewable Energy Ltd. (TPREL), a wholly owned subsidiary]
	Jath, Indorama, Maharashtra (owned by TPREL)
	Jamjodhpur, Sadodar, MotapanchDevda, Samana, District Jamnagar, Gujarat.
	Rojmal Wind Farm, Village Rojmal, District Bhavnagar, Amreli, Gujarat
	Dwarka Wind Farm, Village Bhatiya , District Khambhalia, Gujarat
	Hosur, Kanavi, Mulgund, Shiroland Harti, District Gadag, Karnataka.
	Villages - Anikaduvu, Mongilphuluvu, Illupunagaram, Taluka Madathukulam, District Tripur, Tamil Nadu
	Dalot Wind Farm, Village Raipur, Jungle, Khanpur, Talabkheda, Karaikhede, Taluka - Arnod, District - Pratapgarh, Rajasthan, (owned by TPREL)
	Vagarai Windfarm Ltd., Appayampatti Village, Oddan Chatram Taluk, Dindigul District, Tamil Nadu
	TPREL, C/O - Inox Wind infrastructure Ltd., 220 KV Pooling Substation Dangri, Teh- Fatehgarh, District – Jaisalmer, - Rajasthan
	Dangri Wind Farm, Village Dangri, District Jaisalmer, Rajasthan
	Walwhan Wind RJ Ltd., Village Ola Bahala Basti Bhesada, Raigarh District, Jaisalmer, Rajasthan
	Lahori Wind Farm, Village Lahori, District Shajapur, Madhya Pradesh
	100 MW Nimbagallu Wind Project, Nimbagallu village, Uravakonda (Mandal), Dist - Anantapur, Andhra Pradesh, (owned by TPREL)
	Amakhala Emoyeni Wind Farm, Bedford - 5780, Eastern Cape, South Africa
	Tsitsikama (TCWF) Wind Farm, Humansdorp - 6300, Eastern Cape, South Africa

Type of plants	Address of plants
Solar Plants	Mulshi (Khurd), Post Male, Taluka Mulshi, District Pune, Maharashtra
	Roof top Solar, Delhi (owned by TPDDL)
	Bidar, Srinivasapura, Kanakagiri, in Karnataka (owned by TPSSL)
	Noamundi Solar Power Plant, Jharkhand (owned by TPTCL)
	Palaswadi, Taluka Maan, District Satara in Maharashtra
	Sastra University - TPTCL, Maharashtra
	MithapurSolar Plant, Plot B, Survey No. 78, Mithapur, District Jamnagar, Gujarat
	Belampalli Solar Plant, Village Ankepalli and Venkapalli, Mandal Tandur, Dist Adilabad, Telangana, (owned by TPREL)
	Plot No.6 Gujarat Solar Park Charanka, Distt. Patan Gujarat (owned by TPREL)
	Solar Power Plants (Blocks # 27, 32 and 34) 2000 MW Solar Park, Thirumani Village, Pavagda Taluk, Tumkur - Dist, Karnataka
	Plot - P4 & P5, Ananthapuramu Ultra Mega Solar Park, Thumkunta Village, Galiveedu Mandal, Raychoti Taluka, Kadapa, Andhra Pradesh 516267
	Walwhan Urja Anjar Ltd., Village Khirasara Taluka Anjar, District Kutch, Gujarat
	Walwhan Solar Energy GJ Ltd., Village Khirasara Taluka Anjar, District Kutch, Gujarat
	MI MySolar Private Ltd., Village Fatehpur, Taluka Patdi, District Surendranagar, Gujarat
	Dreisatz MySolar Private Ltd., Village Fatehpur, Taluka Patdi, District Surendranagar, Gujarat
	Walwhan Solar Raj Ltd., Village Ghitoor, Tehsil Baap, District Phalodi, Rajasthan
	Northwest Energy Private Ltd., Village Ghitoor, Tehsil Baap, District Phalodi, Rajasthan
	Walwhan Solar AP Ltd., Villages Shrimandrup Nagar and Rawra Tehsil Phalodi, District Jodhpur, Rajasthan
	Walwhan Solar RJ Ltd., Village Kolayat, Bikaner, Rajasthan
	Walwhan Solar MP Ltd. - - Villages Bhagwanpura Diken Padaliya Taluk Jawad and Singoli, District Neemuch, Madhya Pradesh - Villages Padaliya and Bhadhawa Taluk Singoli, PIN 458226, District Neemuch, Madhya Pradesh
	Walwhan Solar MH Ltd.- MIDC Mangalwedha (G.C.) Taluka Mangalwedha, Maharashtra
	Clean Sustainable Solar Energy Private Ltd.- Village Shirshuphal, Baramati, Pune, Maharashtra
	Walwhan Solar AP Ltd.- Plot 5A, 6A & 6B IDC park, APIIC, Pulivendula, Kadapa District, Andhra Pradesh
	Walwhan Renewable Energy Ltd.- (Balpanur, Kadapa), (Vermalapudu, Ananthpur), (Rajapura, Chitradurga), (Kodihalli, Chitradurga), (Talak, Chitradurga), (Veeriyapalayam Village, Krishnarayauram Taluk, Karur District), (IyermalaiVayalur Village, Krishnarayauram, Karur District), (Kaithar, Metupirancheri Village, Manur Taluk, Tiruneliveli), (Noida, U.P.), (Bhiwadi, Rajasthan).
	Walwhan Solar KA Ltd. - Villages Nagasamudra & Heruru Taluka Molakalamuru, District Chitradurga, Karnataka
	Walwhan Solar PB Ltd. - Villages JagaramTirath&TeonaPujarian, Tehsil Talwandi Sabo, Bhatinda
	Walwhan Solar TN Ltd. - Musri, Trichy
	Walwhan Solar BH Ltd. - - Bahera, Block: Dobhi, Post Office: Barachatti Anchal, Gaya, Bihar - Savkala & amp; Khaira Khurd, Block Amas, Post Office: Sherghati Anchal Sherghati, Gaya, Bihar
	Walwhan Wind RJ Ltd., Village Dhalmu, Pratapgarh, Rajasthan
Transmission Division	Shil Road, Netivli, Kalyan, District Thane, Maharashtra
Distribution Division	Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra
Strategic Engineering Division	42/43 Electronic City Electronic City Post Office, Hosur Road, Bengaluru, Karnataka

(o) **Address for correspondence:** The Tata Power Company Limited, Bombay House, 24, Homi Mody Street, Mumbai 400 001.
Tel.: 022 6665 8282 Fax: 022 6665 8801, E-mail: tatapower@tatapower.com; Website: www.tatapower.com

Other Disclosures

1. There were no materially significant related party transactions during the year.
2. The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authority.
4. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.
5. All mandatory requirements as per Listing Regulations have been complied with by the Company. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:
    - The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
    - The half-yearly financial performance of the Company is sent to the Members in electronic form. The results are also put up on the Company's website.
    - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the CEO & Managing Director.
    - The Internal Auditor reports to the Audit Committee of Directors.
6. The Company follows Accounting Standards issued by the Ministry of Corporate Affairs in the preparation of its financial statements.
7. In terms of Regulation 17(8) of the Listing Regulations, the CEO & Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.
8. Web link of (a) Policy for determining material subsidiaries and (b) Policy on dealing with related party transactions is www.tatapower.com/aboutus/corporate-policies.aspx
9. Disclosure of commodity price risks and commodity hedging activities: The Company is exposed to risk from market fluctuations of foreign exchange on coal import. Forex Risk Management Committee reviews exposures on monthly basis and decides suitable hedging strategies. The Company is hedging its exposure by way of various hedge instruments such as Forward, Options or combination of both.
10. The Company has complied with all the requirements of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.
11. The Company has complied with all the requirements of corporate governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
12. As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 27th July 2018.

Other Shareholder Information:

- **Corporate Identity Number (CIN):**

  L28920MH1919PLC000567

- **International Securities Identification Number (ISIN):**

  INE245A01021

  The Company maintains a TOLL FREE Investor Helpline (No.1800-209-8484) to give Members the convenience of one more contact point with TSRDL, Registrar and Share Transfer Agent of the Company, for redressal of grievances/responses to queries.

- **E-voting**

  E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also have the E-voting facility for the items to be transacted at this AGM. The MCA has authorised NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreements with NSDL and CDSL for availing E-voting facilities.

- **Shareholders' Relations Team**

  The Shareholders' Relations Team is located at the Registered Office of the Company.
  Contact Person: Mr. J. E. Mahernosh
  Tel.: 022 6665 7508 Fax: 022 6717 1004

In compliance with Regulation 62 of the Listing Regulations, a separate E-mail ID investorcomplaints@tatapower.com has been set up as a dedicated ID solely for the purpose of dealing with Members' queries/complaints.

Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, *vide* its Notification dated 13th October 2017 read with the circular dated 16th October 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from 7th September 2016 to 31st October 2017, the due date of transfer for such shares was 31st October 2017.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website https://www.tatapower.com/investor-relations/iepf-reports-filings.aspx.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during the year 2017-18 are as follows:

Table 23

Amount of unclaimed dividend transferred (₹)	Number of shares transferred
1,08,98,232	62,58,295

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed, to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The below table gives information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Share Transfer Agent:

Table 24

Date of dividend declaration	Unclaimed Dividend (As on 31.03.2018)	Last date for claiming payment from TSRDL
24.08.2011	1,26,85,387.50	27.09.2018
17.08.2012	1,34,07,143.75	20.09.2019
16.08.2013	1,38,13,126.10	19.09.2020
13.08.2014	1,69,41,333.75	15.09.2021
05.08.2015	1,94,43,864.70	07.09.2022
21.09.2016	2,41,79,890.80	24.10.2023
24.08.2017	2,47,84,160.70	20.09.2024

- **Shares held in electronic form:** Members holding shares in electronic form may please note that:

  i) For the purpose of making cash payments to the investors through Reserve Bank of India (RBI) approved electronic mode of payment (such as ECS, NECS, NEFT, RTGS etc.), relevant bank details available with the depositories will be used. Members are requested to update their bank details with their Depository Participant (DP).

  ii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

- **Shares held in physical form:** Members holding shares in physical form are requested to notify/send the following to TSRDL to facilitate better servicing:

  i) any change in their address/mandate/bank details, and

  ii) particulars of the bank and branch in which they wish their dividend to be credited, in case they have not been furnished earlier.

- **Payment of dividend or interest or redemption or repayment**

As required under Regulation 12 read with Schedule I to the Listing Regulations, companies are directed to use, either directly or through their RTA, any RBI approved electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer, etc. for making payment of dividend/interest on securities issued/redemption or repayment amount to the investors. For investors holding shares in demat mode, relevant bank details from the depositories will be sought. Investors holding shares in physical form, are requested to register instructions regarding their bank details with the RTA. Only in cases where either the bank details such as Magnetic Ink Character Recognition (MICR), Indian Financial System Code (IFSC) etc., that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the bank, physical payment instruments for making cash payments to the investors may be used.

- **Nomination Facility**

Pursuant to the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. SH.13 to TSRDL. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. SH.13 can be obtained from TSRDL or downloaded from the Company's website under the section 'Investor Relations'.

- **Demat initiative**

WHY DEMAT
• Easy portfolio monitoring
• Elimination of bad deliveries
• Elimination of all risks associated with physical certificates
• No stamp duty is paid on transfer of shares
• Immediate transfer/trading of securities
• Faster settlement cycle
• Faster disbursement of non-cash corporate benefits like Rights, Bonus etc.
• Periodic status reports and information available on internet
• Ensures faster communication to investors
• Ease related to change of address
• Provides more acceptability and liquidity of securities
• Postal delays and loss of shares in transit is prevented
• Saves the shareholder from going through cumbersome legal processes to reclaim the lost/pilfered certificates

In view of the advantages of holding shares in electronic form, Members holding their Equity Shares in physical form are urged to demat their holdings.

- **Depository Services**

Members may write to the respective Depository or to TSRDL for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited Trade World, 4th Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Tel. No. : 022 2499 4200 Fax Nos. : 022 2497 6351 e-mail : info@nsdl.co.in website : www.nsdl.co.in	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street, Mumbai 400 023 Tel. No. : 022 2272 3333 Fax Nos. : 022 2272 3199 e-mail : investor@cdslindia.com website : www.cdslindia.com

- **Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The Auditor confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

- **Compliance of Share Transfer Formalities**

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

- **Secretarial Audit**

In terms of the Act, the Company appointed M/s. Parikh & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for FY18. The Secretarial Audit Report is provided as Annexure VIII to the Board's Report.

Investor safeguards

In pursuit of the Company's objective to mitigate/avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

i) **Open Demat Account and dematerialise your shares**

Members should convert their physical holdings into electronic holdings. Holding shares in electronic form helps Members to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

ii) **Consolidate your multiple folios**

Members are requested to consolidate their shareholdings held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

iii) **Confidentiality of security details**

Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds or delivery instruction slips should not be given to any unknown persons.

iv) **Dealing with Registered Intermediaries**

Members should transact through a registered intermediary, who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

v) **Obtain documents relating to purchase and sale of securities**

A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

vi) **Update your address**

To receive all communications and corporate actions promptly, please update your address with the Company or DP, as the case may be.

vii) **Prevention of frauds**

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.

viii) **Monitor holdings regularly**

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

ix) **PAN requirement for transfer of shares in Physical Form**

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to TSRDL for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy to TSRDL.

x) **Mode of Postage**

Share certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.

DECLARATION

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March 2018.

For The Tata Power Company Limited

Praveer Sinha
CEO & Managing Director

Mumbai, 2nd May 2018

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
THE TATA POWER COMPANY LIMITED

We have examined the compliance of the conditions of Corporate Governance by The Tata Power Company Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

P. N. PARIKH
FCS: 327 CP: 1228
Mumbai, May 02, 2018

BUSINESS RESPONSIBILITY REPORT: 2017-18

Introduction

The Tata Power Company Limited (Tata Power or the Company), India's largest integrated player has a presence across the value chain of power business viz. Generation, Transmission, Distribution, Power Trading, Power Services, Coal Mines and Logistics, Solar Photovoltaic (PV) manufacturing and associated Engineering, Procurement, Construction (EPC) services. The Company is a pioneer in technology adoption and is steadfast to strengthen and expand its position in fast-evolving energy market with new avenues in the renewable space. As on 31st March 2018, the Tata Power group of companies had an operational generation capacity of 10,757 MW based on various fuel sources - thermal (coal, gas and oil), hydroelectric power, renewable energy (wind and solar PV) and waste heat recovery. The Company (including its subsidiaries) has nearly 32% of its capacity (in MW terms) in clean and green generation sources (hydro, wind, solar and waste heat recovery), while the target is to maintain 40-50% of its total generation capacity to be from non-fossil fuel-based generation sources by 2025.

The Company embodies the Tata Group's philosophy of building a strong Sustainable business that is firmly based on the concept of **Leadership with Care**. Care is one of the core values which entrust Care for Environment, Care for Community, Care for Customers, and Care for People, i.e. employees, shareholders, suppliers, partners, etc. in the Company's Sustainability model. The model aims to strengthen structures and processes for environmental performance, stronger engagement with community, customers and employees, by using enablers like new technology, benchmarking and going beyond compliance in key operational parameters.

The vision of the Company is "**To be the most admired and responsible Integrated Power Company with international footprint, delivering sustainable value to all stakeholders**." The Company's vision is supported by the strong Governance which has considered **SACRED** values for the Company,

- **S**afety - Safety is a core value over which no business objective can have a higher priority.
- **A**gility - Speed, Responsiveness and being Proactive, achieved through Collaboration and Empowering Employees.
- **C**are - Care for Stakeholders - Environment, Customers & Shareholders – both existing and potential, Community and People (employees and partners).
- **R**espect - Treat all stakeholders with respect and dignity.
- **E**thics - Achieve the most admired standards of Ethics, through Integrity and mutual Trust.
- **D**iligence - Do everything (set direction, deploy actions, analyze, review, plan and mitigate risks etc.) with a thoroughness that delivers quality and Excellence – in all areas, and especially in Operations, Execution and Growth.

The conformance to statutory requirements is of utmost importance for your Company and the development of Business Responsibility Report (BRR) for showcasing the Company's sustainability performance is one of the examples of being a responsible Company. The Company was recognized by the coveted CII-ITC Sustainability Awards for its significant achievement on Biodiversity for the second consecutive year.

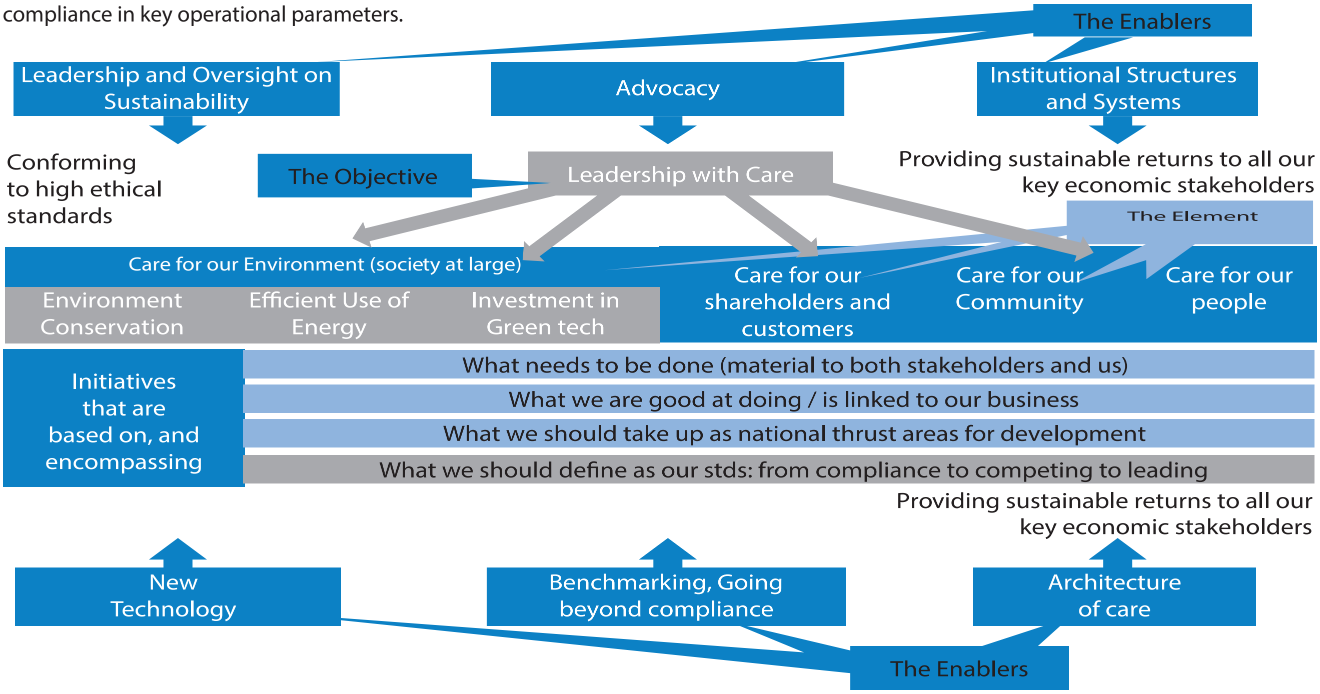


Fig. Tata Power Sustainability Model

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L28920MH1919PLC000567
2. Name of the Company	The Tata Power Company Limited
3. Registered address	Bombay House, 24, Homi Mody Street, Mumbai – 400 001
4. Website	www.tatapower.com
5. E-mail id	tatapower@tatapower.com
6. Financial Year reported	2017-18

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

ITC code	Description
NA	Power
NA	Electronic Products
NA	Technical Services

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

- Generation, Transmission and Distribution of Electricity
- Electronic Products
- Technical Services

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations (details of major 5): South Africa, Singapore, Georgia, Zambia and Indonesia.

ii. Number of National Locations: The Company has 89 locations. The operational status as on 31st March 2018 is given below:

State	No. of Project Locations	Hydros	Wind	Solar	Thermal	Transmission	Distribution
Maharashtra	21	3	9	6	1	1	1
Jharkhand	4	-	-	1	3	-	-
Delhi	18	-	-	15	1	1	1
Gujarat	13	-	6	6	1	-	-
Karnataka	8	-	1	7	-	-	-
Tamil Nadu	5	-	2	3	-	-	-
West Bengal	1	-	-	-	1	-	-
Rajasthan	8	-	4	4	-	-	-
Odisha	1	-	-	-	1	-	-
Madhya Pradesh	2	-	1	1	-	-	-
Andhra Pradesh	3	-	1	2	-	-	-
Bihar	1	-	-	1	-	-	-
Haryana	1	-	-	1	-	-	-
Punjab	1	-	-	1	-	-	-
Telangana	1	-	-	1	-	-	-
Uttar Pradesh	1	-	-	1	-	-	-

10. Markets served by the Company- Local/State/National/International

The markets served by the Company are listed below:

Local/State/National			International
Delhi License Area	Karnataka	West Bengal	South Africa
Gujarat	Maharashtra	Odisha	Singapore
Haryana	Mumbai License Area	Madhya Pradesh	Georgia
Tamil Nadu	Punjab	Telangana	Zambia
Jharkhand (Jamshedpur Circle)	Rajasthan	Uttar Pradesh	Vietnam
Andhra Pradesh	Bihar		Indonesia

Section B: Financial Details of the Company

Paid up Capital	₹ 270.48 crore
Total Turnover	₹ 7,301 crore
Total profit after taxes	₹ (3,151) crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2

List of activities in which expenditure in the above has been incurred

Based on the Need Assessment undertaken in 2016, in FY17 the Company revised its CSR interventions to include 7 focus areas for community development initiatives across its locations. While Financial Inclusivity was based on mobilizing resources under various Government schemes to ensure entitlements of marginalized community in particular without any resource requirement, rest focus areas had budget allocation. Besides this, Affirmative Action is a cross cutting theme with focus on dalit and tribal communities.

Focus Areas	% spent
Education (Focus on Gender Balance upto Secondary)- VIDYA	12.31
Health and Sanitation-AROGYA	6.27
Livelihood-SAMRIDDHI & Employability-DAKSH	45.09
Renewable Energy- AKSHAY	0.75
Social Capital and Institution Building-SANRACHNA	8.48
Water (Irrigation and Drinking)- SWAJAL	0.89
Affirmative Action and Others	26.21

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Tata Power has 53 subsidiaries as on 31st March 2018.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   The subsidiaries have their own BR plans which are influenced by the Company. The Company encourages its subsidiary companies to participate in group wide sustainability initiatives. All subsidiaries are aligned to the CSR Policy and CSR strategy and implement activities under the seven thrust areas.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**

   Tata Power collaborates with all relevant stakeholders for sustainability initiatives. The suppliers/vendors are sensitized on Sustainability with the help of Responsible Supply Chain Management (RSCM) policy which covers Health & Safety, Environment, Human Rights and Ethics & Compliance. The suppliers/vendors are required to ensure conformance to the RSCM parameters in addition to the Tata Code of Conduct (TCoC).

SECTION D – BR Information

1. **Details of Director/Directors responsible for BR**

   a. Details of the Director/Directors responsible for implementation of the BR policy/policies.

1.	**DIN**	00006867
	Name	Mr. Anil Sardana
	Designation	CEO & Managing Director
2.	**DIN Number**	01741911
	Name	Mr. Ashok S. Sethi
	Designation	COO & Executive Director

   b. Details of BR Head:

DIN	0007605819
Name	Mr. Vivek Talwar
Designation	Chief Sustainability Officer
Contact	022 67171507

2. **Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Tata Power policies are based on the NVG principles and conform to the international standards like ISO 9000, 14000, OHSAS 18000, UNGC principles, ILO principles and Sustainable Development Goals (SDGs).								
Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	The policies have been developed as per the need and are duly signed by the CEO & Managing Director.								
Does theCompany have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The policies at the Company strengthen internal governance structures on compliance and beyond compliance efforts. All the policies are mapped to the respective business functions and their implementation is based on the commitment framework. The Company has set various processes to monitor the effectiveness of these policies.								
Indicate the link for the policy to be viewed online?	http://www.tatapower.com/aboutus/corporate-policies.aspx								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, policies are reviewed periodically for their implementation based on the commitment framework and related risk controls are set in place. Policies related to workforce benefits and wellbeing are co-created through the Srijan initiative in which employees' inputs are taken and incorporated in the policy building process. These inputs along with internal and external benchmarking, form the pillars of policy formation and ensure that employee feedback, industry norms and legal norms were not only met but exceeded.								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Tata Power policies are developed based on requirement and aims to strengthen governance structure, management system, and overall sustainability of the Company.								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company (within 3 months, 3-6 months, Annually, More than 1 year).

Tata Power's Sustainability performance has been a Board level agenda and the same is monitored by the Board CSR Committee and Sustainability Advisory Council (SAC). The CSR committee recommends the activities to be undertaken by the Company as specified in Schedule VII to the Act or prescribed by the rules. SAC comprises the Company's senior management, two independent Board members, and external national and international members of civil society who are experts in the fields of environmental protection, biodiversity conservation, climate change and community relations. The SAC's role is to challenge the organisation's strategies on sustainability issues and also guide. The Company to formulate improved approaches. The frequency of CSR Committee and SAC meetings is quarterly, and the management enacts on the inputs provided by them.

Fig. Sustainability governance structure

4. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   Yes, the Company publishes Sustainability Report in accordance with Global Reporting Initiative (GRI) annually. This recent Sustainability Report is based on the GRI G4 guidelines, which can be viewed at http://www.tatapower.com/sustainability/sustainability-communications.aspx.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Being a Tata Group Company, the Company abides by the Tata Code of Conduct (TCoC), which was first formally articulated in 1998, refreshed in 2015 and unveiled by the Group Chairman in July 2015 for adoption by the Group companies. The TCoC is a comprehensive document with an ethical road map for Tata employees, companies, including third parties dealing with the Company, thus covering 100% of its operations through trainings and modules. TCoC consists of 10 sections and 59 sub clauses, that covers Financial Reporting, National Interests, Political Non-Alignment, Health, Safety and Environment, Corporate Citizenship, Ethical Conduct, Anti-Corruption etc.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder	Received in FY 17-18	Satisfactorily resolved by the management (%)
Employees	43	98
Vendor	6	100
Company	0	0
Investor	26	96
Society	8	100

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Tata Power is into the business of Generation, Transmission and Distribution of electricity.

   Generation: At all generating stations conformance to environmental norms, safety, occupational health of the employees (permanent/contract) is considered important.The Company's Strategic Intent 2025 has considered achieving 40-50% generation portfolio from non-fossil fuel sources to reduce impact on the environment. Further, all thermal stations of the Company are IMS compliant.

   Transmission: The Company conducts Ghar Ghar Me Jan Jagruti Abhiyan to create safety awareness amongst people staying below the overhead lines. Employees visit different locations under high voltage Transmission Lines and create safety awareness among the community at large. Also, NGO has been involved for conducting Jan Jagruti Campaign which includes street plays and interaction with women's group and youth. Intensified Jan Jagruti is conducted during Sankranti Festival season and roof repair season.

   Distribution: Various initiatives like safety audits in consumer premises, Club Enerji, Demand side management programs, and Be Green initiatives are conducted to create awareness to customers/society at large on energy efficiency and its conservation, safety, and reducing carbon footprint.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

      Various measures resulting in ash utilization, reduction in auxiliary power consumption, zero discharge, rain water harvesting, energy conservation, and scrap utilization etc. are in place for environment management. The Company has achieved a significant reduction in water consumption.The Company is in the process of minimizing atmospheric pollution by installing Flue Gas Desulphurization Systems at all coal fired power plants by 2021-22.

   ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      Tata Power's Demand Side Management (DSM) programs support energy conservation in the residential customer segment. The Company is leading the DSM intervention as a role model utility and has also pioneered in some unique energy conservation interventions like Energy audits, demand response (reduction on load by consumer on the request by utility), thermal storage etc.

The Company carried out energy audits for Industrial and Commercial consumers for mapping their unique power consumption pattern and offer specific recommendations to improve the process and equipment efficiency. For the residential consumers in Mumbai, the Company has launched a consumer initiative "Be Green" which gave an opportunity to the Company's consumers to exchange their inefficient electrical appliances for 5-star energy efficient appliances at a discounted price.

Another energy conservation campaign at the Company is Club Enerji, which recognises the immense value of the contribution that school children, parents, teachers and society at large can make to help curb the wasteful usage of electric power. Club Enerji has reached 500 schools across India, sensitized more than 19.34 million citizens and saved more than 25 million units. This saving is equivalent to saving 25,000 tons of CO_2. More than 2000 Mini Clubs are formed all over India under the Club Enerji initiative.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes, the Company conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. The procurement process during bid evaluation gives due weightage to various parameters for sustainable sourcing. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services. The performance for supply and services are evaluated along with the work methodology and standards as part of technical evaluation of the bidders. Safety evaluation and qualification has been made an integral part of the award process and a part of online vendor registration process. With go-live of 'Ariba', the Company has taken step towards 100% digitisation of its sourcing processes to make its transparent processes further stronger. In addition to engaging local workforce and community development which is part of Project development commitments, the Company as part of national skill/capacity development programme, trains local youth in various trades/skill sets including entrepreneurship though Tata Power Skill Development Institute (TPSDI) training centres for enhancing employability.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The neighbourhood community in operation sites vicinity are engaged as indirect workforce through Contractors under different categories based on their skill set. The Contractor workforce is trained at the four TPSDIs in Maharashtra, Jharkhand and Gujarat to develop/upgrade the skills of workforce to ensure safe and efficient work practices. Thus, the Company contributes to capability building of the contractors and their workforce to ensure that the workforce is adequately trained to safely perform the job efficiently with higher productivity and quality standards. In FY18, total number of trainees was 16205 out of which 5228 were from dalit and tribal communities (33%) with 53% placement for fresher youths from dalit and tribal community. The Company also signed MoU with Government of Maharashtra (Maharashtra State Skill Development Society) to train youths particularly from dalit communities.

As a part of Affirmative Action, the Company continued in its journey of working with local vendors and promoting inclusion of dalits and tribals in the business opportunities. This is driven by Corporate Contracts Department with a single point of contact at the Corporate level, as well as at Division/ Site level (Procurement Heads at Division) to facilitate inclusion of dalit and tribal vendors. The Company continued in this journey and the 'Affirmative Action (AA) process for Vendor Enlistment and Ordering' was deployed to encourage and evolve entrepreneurship skill among these communities, so as to be a part of our business ecosystem. It also made them compete with positive discrimination element by offering a price preference of 5% over the L1 bidder and also gives incentive of 1% of contract value for engaging 50% workforce from dalit and tribal community. The Company also promoted entrepreneurship at community level by supporting enterprise development. It also supports more than 3200 Self-Help Group (SHG) members by imparting income generation activities and supported more than 7900 farmers through training to demonstrate overall increase in income level per acreage to make the community members self-reliant.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the ash generated from thermal power stations is the major waste. The Company's endeavour is to utilize 100% Fly Ash at all locations and initiatives are in place to utilize the bottom ash as well. The waste/used oil which comes under the Hazardous waste category and e-waste is disposed off through authorised recyclers. Other wastes such as such as scrap steel and wood are reused internally.

Principle 3

1.	Please indicate the Total number of employees	Total number of employees are 2871 as on 31st March 2018
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	The total number of contract employees are 6723 as on 31st March 2018
3.	Please indicate the Number of permanent women employees	Total number of permanent women employees are 244 as on 31st March 2018
4.	Please indicate the Number of permanent employees with disabilities	Total number of permanent employees with disabilities are 6 employees (4 officers + 2 staff) as on 31st March 2018

5.	Do you have an employee association that is recognized by management?	Yes, there is an employee association that is recognized by the management - Union
6.	What percentage of your permanent employees is members of this recognized employee association?	32% are union employees (914) out of 2871 of the total permanent employees of the Company are members of employee union.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	0	0
Sexual harassment	1	0
Discriminatory employment	0	0

8. What safety & skill up-gradation training was provided in the last year?

Permanent Employees (includes women employees and employees with disabilities)	
Safety Induction Training	904 Manhours
Safety Capability Training	1,07,182 Manhours
Technical Training	Nil
Casual/Temporary/Contractual Employees	
Safety Induction Training	1,05,624 Manhours
Safety Capability Training	1,09,160 Manhours

Principle 4

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company conducted a comprehensive Stakeholder engagement exercise in 2015 which mapped internal and external stakeholders in a structured manner. The Company is carrying out engagements with investors, employees, customers, suppliers, community etc. with a periodic frequency.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company has identified SC/ST Communities under its Affirmative Action Policy across all its neighbourhood and beyond. Besides this, the Company is also working with women and marginalized children with the purpose of mainstreaming them.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

As part of Affirmative Action Policy, the Company worked with the marginalized and disadvantaged communities which include, tribal villages, vulnerable children who are in great need of care, protection and improvement in quality of life. The initiatives focus on 5Es - Education, Employability, Employment, Entrepreneurship & Essential amenities. The initiatives are in addition to the initiatives under the 7 thrust areas of CR program. Some major AA program details are below;

- 1192 SHG members from dalit and tribal communities were supported for income generation activities including poultry, handicraft, garment making, vermicomposting.
- 5228 youths from dalit and tribal communities trained by TPSDI under various power sector skilling courses and 53% placement ensured.
- Out of total 2200 trained youths under various other vocational courses, 633 youths trained were from dalit and tribal communities including courses like beautician, nursing, hospitality, BPO etc.
- 10431 students were covered under education program across all locations who were from dalit and tribal communities and their overall academic performance improvement was 5% more than previous year and enrolment rate improved, and dropout rates were reduced. Extra coaching classes, Spoken English, sports promotion programs are conducted in schools to improve interpersonal skills and personalities of the students.
- Supported 1539 dalit and tribal farmers in systemic rice intensification, improved varieties of seeds, advanced technology and integrated watershed management practices.
- Sponsoring high performing students through scholarships like FAEA at Tata group level for X and XII standard students. Supporting Kalinganagar Institute of Social Science (KISS) School which is catering educational services to 25,000 Tribal Schools by augmenting library facilities.
- Collaboration with local administration for Water, Sanitation and Hygiene issues were undertaken to make Open Defecation Free (ODF) Villages as a part of Swaccha Bharat Abhiyan by sensitizing through Community Lead Total Sanitation (CLTS) campaigns. Till date, 51 villages have been covered to sensitize communities on sanitation as a long-term initiative.

Apart from the above, the Company signed MoU with Government of Maharashtra for undertaking 5 flagship program:

Model Village: In this year, under Integrated Development approach, MoU was signed to undertake the program under public private partnership model for three years for facilitating convergence in livelihood, education and watershed in collaboration with Palghar District administration at Kadachimet village which is 100% tribal village.

Education: To improve quality of education, MoU was signed with Tribal Department, Government of Maharashtra to work with tribal girls at Sakur Tribal Girls residential school at Palghar District.

Employability: Convergence with Directorate of Vocational Education and Training, Government of Maharashtra (GoM), to ensure convergence and sharing of competencies of TPSDI in Palghar District for improving quality of technical education at ITI-Jawhar.

Convergence with Tata Consultancy Services Ltd., for training and employment of rural youths in Rural BPO at Kalinganagar, Odisha.

Livelihood-Dairy Promotion: Collaboration with Dairy Department, GoM for knowledge sharing and development of Dairy Project at Maval taluka in Pune District with aspiration of covering 3,000 women entrepreneurs.

Skill Building: Collaboaration with Maharashtra State Skill Development Society, GoM to train 3,500 youths with focus on dalit community at TPSDI in Mumbai.

Education: Life Skill Education based training to drop-out youths and students for enhancing their employability levels at Maithon, Jharkhand with focus on dalit and tribal youths.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company respects Human Rights and has a dedicated Policy on Human Rights. This policy is aligned with the UN Human Rights Declaration, International Labour Organisation (ILO) fundamental conventions and other fundamental labour principles. Through the policy, the Company ensures conformance to fundamental labour principles including the prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operations by imparting relevant training and aligning the conduct of its employees.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaints on Human Rights were received during the year.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The Company has a dedicated Environment policy along with policies on energy conservation, sustainability, e-waste management etc. The Environment policy encourages the Company to conserve resources, reduce environmental impact and seeks to enhance the awareness among employees and make business decision aiding sustainability. The division/joint ventures have developed their own policies taking essence from the Company policy. However, the policy on Responsible Supply Chain Management has environment protection as one of its criteria applicable to all the vendors, contractors and service providers.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, as a responsible Company, Tata Power addresses global long-term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. As per the Company's strategic intent 2025, the Company aims to generate 40-50% of its generating capacity from non-fossil fuel sources like hydro, solar, wind, waste heat recovery etc. The hyperlink for webpage of the Company is www.tatapower.com.

3. **Does the Company identify and assess potential environmental risks?**

   Yes, environment risks are identified and added to the risk register for periodic reviews. A risk owner is assigned to each identified risk who then analyses the risk for required mitigation measures. The Apex Risk Management Committee and the Board Risk Management Committee reviews the key risks along with status of mitigation measures.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Yes, the Company has Clean Development Mechanism (CDM) projects registered with United Nations Framework Convention on Climate Change (UNFCCC). The Company currently has five of its renewable projects registered under the CDM program by UNFCCC. These projects include Wind projects at Gadag, Karnataka, Khandke, Maharashtra, Samana and NewGen Saurashtra in Gujarat. The Company also has Mithapur Solar project registered under CDM. In FY18, volume of 2,36,973 Carbon Credits (CERs) were traded from these projects combined. The gross revenue generated from such sale is ~ ₹ 7.82 crore. Walwhan Renewable Energy Limited has eight CDM registered projects but no CERs were issued or traded in FY18.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.**

   The Company's Mission "Being the Lead Adopter of Technology with a spirit of pioneering and calculated risk taking" enables adoption of advanced/disruptive technologies as well as develop some products and technological processes through a structured Short/Medium & Long term technological roadmap. Some efforts by the Company under technology absorption, adaptation and innovation are:

   - Fly Ash based paint for commercial deployment.

- Indigenization of multi-fuel steam generation with alfa system and Indian manufacturing.
- Geopolymeric cement from fly ash.
- Utilization of ash in pebbles to be made as Elastopave.
- Joint working with SECI on opportunities to commercialise the floating solar design.
- Micro-inverters for roof top solar opportunities.
- Heat Pump deployed in the hydro location for meeting hot water requirements.

The hyperlink for webpage of the Company is www.tatapower.com.

6. **Are the emissions/wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the Company is in compliance with the prescribed permissible limits as per Central Pollution Control Board (CPCB) /State Pollution Control Board (SPCB) for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal. Compliance reports/statements are submitted to SPCB as well as Regional office, Ministry of Environment, Forest & Climate Change (MoEF&CC) regularly, as applicable.

7. **Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company had received one notice (For Mundra - CGPL plant) which is resolved, and none is pending.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

   The Company is member of various trade and chamber associations. The major ones are:

   - Confederation of Indian Industry (CII)
   - India Energy Exchange
   - Indian Merchants' Chamber (IMC)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, others)**

   The Company does not engage in any form of lobbying activities. Advocacy policy is in place to enhance competitiveness, effectiveness and positively contribute to the development of the Power sector. The broad areas under the purview of Advocacy policy are Energy Security, Governance and Administration, enhancing competition and transparency in power sector, structural changes for facilitating capacity addition, overcoming coal related challenges, electricity distribution reforms and promotion of renewable energy.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   There are programs aimed at providing inclusive growth opportunities. TPSDI is a flagship program with strategic intent of training atleast 25% of rural youths particularly from dalit and tribal communities. Also, the focus areras under Affirmative action program viz. Education, Employability, Entrepreneurship and Essential Amenities to support the marginalized communities. The Company continued to support in developing projects related to Fly Ash Brick making units established in Jojobera and Maithon (Jharkhand) and garment making unit at Maval (Maharashtra) have incorporated both effective use of fly ash into value proposition creating economic benefit to the community at large. The Fodder Program at Mundra (Gujarat) is a project to ensure self-reliance in meeting the fodder requirement of the communities and scientific approach undertaken to address such issues by innovating new fodder cultivation practices for the local farmers/cattlestock.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

   The Company has a CR division dedicated for CSR activities at the corporate level and at each station level dedicated CR teams are in place to plan, implement, and monitor and review various community development initiatives/programs. Further, Tata Power Community Development Trust (TPCDT), a registered trust implements projects related to energy and water. The Company partners with NGOs and Government organizations to leverage synergies in delivering community development initiatives. Encouragement is given to employees to volunteer for cause of choice in pre-defined aspects that are aligned to community development initiatives.

3. **Have you done any impact assessment of your initiative?**

   The Company has developed a scientific process of measuring Social Performance using Community Engagement Index at Location level. Besides this, flagship programs effectiveness is also measured on an annual basis and reviewed by the CSR Committee of the Board under all 7 Focus areas.

4. **What is your Company's direct contribution to community development projects: Amount in INR and the details of the projects undertaken?**

   As on 31st March 2018, the Company has spent ₹15.41 crore on various community development projects under 7 thrust areas.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The process of community engagement begins right from business development stage, to projects and operations stage. The Socio-economic study and baselines form the basis for identification of prioritized needs followed by program planning with the help of external experts. This process is reviewed once every 3-5 years with the objective of going back to community. Every year, the Company implements programs with prior community consultation through our teams. Based on previous year development of CSR and Affirmative Action Aspirational Goals 2020, the Company has been implementing programs and tracking progress on these aspirational goals across all locations and this has been the framework for development of future annual plans. So, while the Aspirational Goals are set for 2020 aligned to UN Sustainable Development Goals, the programs and development are monitored annually and revisited based on local context and collaborations forged to leverage resources and knowledge across locations with Government, civil society and academia.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   As on 31st March 2018, 0.003% of the customer complaints/ consumer cases beyond turnaround time (TAT) are pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   The Company is in the business of generating, transmitting and distributing electricity. Electricity being the product, it requires utmost safety in handling and precautions while using. The Company has displayed safety signage at prominent locations including the substations and Customer Relations Centres. In addition, the Company is also creating safety awareness among consumers through its website.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

   There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March 2018.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Customer Satisfaction Surveys are key indicator parameters to measure customer satisfaction and dissatisfaction levels. These surveys are conducted annually across all segments i.e. commercial, industrial and residential consumers and are face to face interaction with 5-point rating scale. The findings of the report guide us to understand the key improvement areas which are shared with the concerned departments and accordingly, the necessary action is taken based on the key findings. Overall Customer Satisfaction Assessment total (CSAT) score in percentage for FY18 is given below:

Customer	Satisfaction (%)
Residential	83
Industrial	78
Commercial	80

Independent Auditor's Report

To the Members of The Tata Power Company Limited

Report on the Consolidated Ind AS Financial Statements

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of twelve subsidiaries, whose financial statements include total assets of ₹ 10,102.51 crore and net assets of ₹ 2,997.32 crore as at 31st March, 2018, and total revenues of ₹ 7,950.86 crore and net cash inflows of ₹ 22.88 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1,454.63 crore for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of eleven associates and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the report(s) of such other auditors.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 38.90 crore and net asset of ₹ (2.11) crore as at 31st March, 2018, and total revenues of ₹ 35.98 crore and net cash outflow of ₹ 0.25 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 14.28 crore for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of eleven associates and joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us, these financial statements and other financial information are not material to the Group.

(c) The consolidated Ind AS financial statements of the Company for the year ended 31st March, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed modified opinion on those statements on 19th May, 2017.

(d) We audited the adjustments, as fully described in Note 43 to the consolidated Ind AS financial statements, which have been made to the comparative consolidated Ind AS financial statements presented for the year prior to year ended 31st March, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose reports we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

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

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph:

  i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group, associates and joint ventures – Refer Note 35 to the consolidated Ind AS financial statements;

  ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 22 & 23 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, it's associates and joint ventures and the Group's share of net profit in respect of its associates;

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended 31st March, 2018.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
Place: Mumbai
Date: 2nd May, 2018

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of The Tata Power Company Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of **The Tata Power Company Limited** as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of The Tata Power Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these forty two subsidiary companies and three joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies and joint ventures incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 2nd May, 2018

Consolidated Balance Sheet as at 31st March, 2018

	Notes	Page	As at 31st March, 2018 ₹ crore	As at 31st March, 2017* ₹ crore	As at 1st April, 2016* ₹ crore
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	4 a.	141	43,256.67	43,232.93	36,323.53
(b) Capital Work-in-Progress			1,652.60	1,923.24	1,134.16
(c) Investment Property	4 b.	145	Nil	2.49	2.57
(d) Goodwill	5 a.	146	1,641.57	1,653.57	5.54
(e) Other Intangible Assets	5 b.	147	1,583.08	1,705.80	307.34
(f) Intangible Assets under Development			Nil	254.68	210.75
(g) Investments accounted for using the Equity Method	6 a.	149	11,111.66	9,496.09	9,604.40
(h) Financial Assets					
(i) Other Investments	6 c.	164	881.11	1,279.14	1,758.43
(ii) Trade Receivables	7	166	190.05	187.92	190.00
(iii) Loans	8	167	76.48	77.16	390.37
(iv) Finance Lease Receivables	9	167	574.76	573.47	617.63
(v) Other Financial Assets	10	168	942.09	1,183.68	937.41
(i) Non-current Tax Assets (Net)	11	169	167.59	146.35	110.61
(j) Deferred Tax Assets (Net)	12 a.	170	83.24	91.53	3.20
(k) Other Non-current Assets	13	174	901.33	1,287.24	1,531.28
Total Non-current Assets			**63,062.23**	**63,095.29**	**53,127.22**
Current Assets					
(a) Inventories	14	175	1,623.08	1,599.56	1,373.40
(b) Financial Assets					
(i) Investments	15	176	436.16	1,097.78	335.95
(ii) Trade Receivables	7	166	2,788.93	3,832.12	3,540.24
(iii) Unbilled Revenue			810.09	1,081.92	842.64
(iv) Cash and Cash Equivalents	16 a.	178	1,061.16	835.22	613.15
(v) Bank Balances other than (iv) above	16 b.	178	124.62	119.08	50.01
(vi) Loans	8	167	720.67	655.44	410.27
(vii) Finance Lease Receivables	9	167	34.27	39.16	48.80
(viii) Other Financial Assets	10	168	1,100.37	913.40	511.49
(c) Current Tax Assets (Net)	11	169	14.77	31.68	3.00
(d) Other Current Assets	13	174	877.67	582.97	933.02
Total Current Assets			**9,591.79**	**10,788.33**	**8,661.97**
Assets Classified as Held For Sale	17 a.	178	4,778.70	1,919.47	1,122.24
Total Assets before Regulatory Deferral Account			**77,432.72**	**75,803.09**	**62,911.43**
Regulatory Deferral Account - Assets	18	182	**6,304.56**	**7,117.70**	**7,921.28**
TOTAL ASSETS			**83,737.28**	**82,920.79**	**70,832.71**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	19 a.	183	270.50	270.50	270.48
(b) Unsecured Perpetual Securities	19 b.	184	1,500.00	1,500.00	1,500.00
(c) Other Equity	20	185	14,989.70	12,944.05	12,717.98
Equity attributable to Shareholders of the Company			**16,760.20**	**14,714.55**	**14,488.46**
Non-controlling Interests			**2,015.29**	**1,868.99**	**1,749.81**
Total Equity			**18,775.49**	**16,583.54**	**16,238.27**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	21	187	22,356.31	25,142.96	22,413.88
(ii) Trade Payables			21.00	35.57	33.12
(iii) Other Financial Liabilities	22	189	713.31	550.94	571.57
(b) Provisions	23	190	300.00	270.68	243.53
(c) Deferred Tax Liabilities (Net)	12 b.	172	516.56	1,751.14	2,096.86
(d) Non-current Tax Liabilities (Net)	24	197	3.74	3.74	3.74
(e) Other Non-current Liabilities	25	197	3,090.04	3,078.65	3,042.88
Total Non-current Liabilities			**27,000.96**	**30,833.68**	**28,405.58**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	26	198	18,827.28	16,279.79	14,588.91
(ii) Trade Payables			5,609.82	5,529.00	4,401.36
(iii) Other Financial Liabilities	22	189	10,279.73	11,386.46	5,055.98
(b) Provisions	23	190	193.44	207.69	262.43
(c) Current Tax Liabilities (Net)	24	197	160.38	122.04	148.16
(d) Other Current Liabilities	25	197	1,501.40	1,316.24	1,051.64
Total Current Liabilities			**36,572.05**	**34,841.22**	**25,508.48**
Liabilities Classified as Held For Sale	17 b.	179	903.78	Nil	Nil
Total Liabilities before Regulatory Deferral Account			**64,476.79**	**65,674.90**	**53,914.06**
Regulatory Deferral Account - Liability	18	182	**485.00**	**662.35**	**680.38**
TOTAL EQUITY AND LIABILITIES			**83,737.28**	**82,920.79**	**70,832.71**

* Restated (Refer Note 43)

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

		Notes	Page	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017** ₹ crore
I	Revenue from Operations	27	199	29,331.22	*27,587.59*
II	Other Income	28	202	432.69	*585.90*
III	**Total Income**			**29,763.91**	***28,173.49***
IV	**Expenses**				
	Cost of Power Purchased			8,004.23	*8,218.99*
	Cost of Fuel			10,009.86	*8,692.39*
	Raw Material Consumed	29	203	748.97	*1,009.67*
	Purchase of Finished Goods, Spares and Shares			181.68	*26.40*
	Transmission Charges			281.99	*224.13*
	(Increase)/Decrease in Stock-in-Trade and Work in Progress	29	203	(8.51)	*28.34*
	Employee Benefits Expense (Net)	30	203	1,381.92	*1,261.11*
	Finance Costs	31	205	3,722.99	*3,364.96*
	Depreciation and Amortisation Expenses	5b	148	2,398.10	*1,955.59*
	Other Expenses	32	206	2,374.11	*2,217.76*
	Total Expenses			**29,095.34**	***26,999.34***
V	**Profit Before Rate Regulated Activities, Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**668.57**	***1,174.15***
	Add/(Less): Regulatory income/(expense) (net)			(409.85)	*(378.44)*
	Add/(Less): Regulatory income/(expense) (net) in respect of earlier years			Nil	*77.00*
				(409.85)	*(301.44)*
VI	**Profit Before Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**258.72**	***872.71***
	Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method			1,553.91	*1,225.79*
VII	**Profit Before Exceptional Items and Tax**			**1,812.63**	***2,098.50***
	Add/(Less): Exceptional Items				
	Reversal of Impairment of Mundra CGU (Net)	6 b.	163	1,886.72	*Nil*
	Impairment for Investments in Joint Venture and Related Obligation	6 b.	163	(527.54)	*Nil*
	Impairment in respect of Other Property, Plant and Equipment and Goodwill	4a.i,ii & 5a.	144	(149.57)	*Nil*
	Damages towards contractual obligations	6 c.	164	(107.08)	*(651.45)*
				1,102.53	***(651.45)***
VIII	**Profit Before Tax**			**2,915.16**	***1,447.05***
IX	**Tax Expense**				
	Current Tax	33	207	663.69	*553.32*
	Deferred Tax	12 b.	172	(837.89)	*(664.88)*
	Deferred tax (recovered) / payable	33 II	208	338.51	*462.02*
				164.31	*350.46*
X	**Profit for the Year from Continuing Operations**			**2,750.85**	***1,096.59***
	Profit/(Loss) before tax from Discontinued Operations			**(85.87)**	***16.44***
	Current Tax			(17.36)	*3.71*
	Deferred Tax			3.23	*9.69*
	Tax Expense/(Credit) on Discontinued Operations			**(14.13)**	***13.40***
XI	**Profit/(Loss) for the Year from Discontinued Operations**			**(71.74)**	***3.04***
XII	**Profit for the Year**			**2,679.11**	***1,099.63***
XIII	**Other Comprehensive Income/(Expense) including Discontinued Operations**				
	A *Add/(Less):*				
	(i) Items that will not be reclassified to profit or loss				
	(a) Equity Instruments through Other Comprehensive Income			(262.22)	*(92.19)*
	(b) Remeasurement of the Defined Benefit Plans	23	190	(3.90)	*(12.07)*
	(ii) Tax relating to items that will not be reclassified to profit or loss				
	(a) Current Tax	33(4)	208	(50.51)	*(38.55)*
	(b) Deferred Tax	12 b.	172	391.87	*4.48*
	(iii) Share of Other Comprehensive Income/(Expense) of Associates and Joint Ventures accounted for using the Equity Method			(10.74)	*(63.34)*
	B *Add/(Less):*				
	(i) Items that will be reclassified to profit or loss				
	(a) Exchange Differences in translating the financial statements of foreign operations			29.08	*(18.45)*
	(b) Share of Other Comprehensive Income of Associates and Joint Ventures accounted for using the Equity Method			0.41	*87.40*
	Other Comprehensive Income/(Expense) For The Year			**93.99**	***(132.72)***
XIV	**Total Comprehensive Income for the Year (XII + XIII)**			**2,773.10**	***966.91***
	Profit for the Year attributable to:				
	- Owners of the Company			2,476.56	*896.55*
	- Non-controlling interest			202.55	*203.08*
				2,679.11	**1,099.63**
	Other Comprehensive Income/(Expense) for the Year attributable to:				
	- Owners of the Company			94.00	*(132.13)*
	- Non-controlling interest			(0.01)	*(0.59)*
				93.99	***(132.72)***
	Total Comprehensive Income for the Year attributable to:				
	- Owners of the Company			2,570.56	*764.42*
	- Non-controlling interest			202.54	*202.49*
				2,773.10	***966.91***
XV	**Earnings Per Equity Share (from Continuing Operations) (excluding Regulatory income/(expense) (net)) (of ₹ 1/- each)**				
	Basic and Diluted: (In ₹)	37	213	9.99	*3.62*
XVI	**Earnings per Share (from Continuing Operations) (including Regulatory income/(expense) (net)) (of ₹ 1/- each)**				
	Basic and Diluted: (In ₹)	37	213	9.00	*2.89*
XVII	**Earnings Per Equity Share (from Discontinued Operations) (of ₹ 1/- each)**				
	Basic and Diluted: (In ₹)	37	213	(0.26)	*0.01*
XVIII	**Earnings Per Equity Share (Total operations including Regulatory Income) (of ₹ 1/- each)**				
	Basic and Diluted: (In ₹)	37	213	8.74	*2.90*

* Restated (Refer Note 43)

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

		For the year ended 31st March, 2018 ₹ crore		*For the year ended 31st March, 2017 ₹ crore*	
A. Cash Flow from Operating Activities					
Profit/(Loss) before tax from Continuing Operations			2,915.16		*1,447.05*
Profit/(Loss) before tax from Discontinued Operations			(85.87)		*16.44*
Adjustments to reconcile Profit Before Tax to Net Cash Flows:					
Depreciation and Amortisation Expense		2,429.27		*1,988.59*	
Impairment in respect of Other Property, Plant & Equipment and Goodwill		149.57		*Nil*	
Transfer to Contingency Reserve		14.00		*14.00*	
Reversal of Impairment of Mundra CGU (Net)		(1,886.72)		*Nil*	
Impairment of Investments in Joint Ventures		527.54		*Nil*	
(Gain)/Loss on disposal of Property, Plant and Equipment (Net)		(4.54)		*18.88*	
Finance Cost (Net of Capitalization)		3,731.84		*3,370.56*	
Interest Income		(120.43)		*(121.87)*	
Dividend Income		(18.67)		*(5.17)*	
Gain on Sale/Fair Value of Current Investments measured at FVTPL		(59.58)		*(101.98)*	
Gain on Sale of Investment in Associate accounted for using the equity method		Nil		*(0.26)*	
Loss on Sale of Investment in Joint Venture accounted for using the equity method		Nil		*15.27*	
Allowances for Doubtful Debts and Advances (Net)		16.40		*43.82*	
Amortisation of Premium paid on leasehold land		0.17		*17.31*	
Provision for Losses		(0.21)		*(91.08)*	
Impairment of Non-current Investments		6.00		*65.00*	
Warranty Charges		13.65		*14.41*	
Damages Towards Contractual Obligation		107.08		*651.45*	
Delayed Payment Charges		(26.48)		*(27.91)*	
Transfer from Capital Grants		(69.80)		*(61.18)*	
Amortisation of Service Line Contributions		(80.74)		*(67.00)*	
Guarantee Commission		(9.77)		*(9.90)*	
Share of Net Profit of Associates and Joint Ventures accounted for using the equity method		(1,553.91)		*(1,225.79)*	
Effect of Exchange Fluctuation (Net)		13.32		*7.43*	
			3,177.99		*4,494.58*
			6,007.28		*5,958.07*
Working Capital Adjustments:					
Adjustments for increase/(decrease) in Operating Assets:					
Inventories		(146.83)		*(204.85)*	
Trade Receivables		715.15		*(51.89)*	
Unbilled Revenue		(43.30)		*(236.58)*	
Finance Lease Receivables		3.60		*53.80*	
Other current assets		(468.17)		*395.58*	
Other non-current assets		170.90		*31.52*	
Other Financial Assets - Current		(34.35)		*(448.55)*	
Other Financial Assets - Non-Current		(62.78)		*132.90*	
Regulatory Account - Assets		630.01		*323.68*	
Current Investments					
Purchased		Nil		*(280.68)*	
Proceeds from sale		36.65		*292.43*	
Non-Current Investments					
Purchased		Nil		*(83.17)*	
Proceeds from sale		Nil		*198.08*	
Deposits refunded (including interest)		Nil		*20.00*	
Movement in operating asset			800.88		*142.27*
Adjustments for (increase)/decrease in Operating Liabilities:					
Trade Payables		86.44		*1,107.87*	
Other Current Liabilities		254.37		*219.57*	
Other Non-current Liabilities		30.10		*(39.56)*	
Other Financial Liabilities - Current		(255.74)		*247.37*	
Other Financial Liabilities - Non-current		159.40		*(27.55)*	
Regulatory Account - Liability		(171.00)		*(24.38)*	
Current Provisions		4.76		*(8.88)*	
Non-current Provisions		49.21		*19.34*	
Movement in operating liability			157.54		*1,493.78*
Cash Flow from Operations			6,965.70		*7,594.12*
Income-tax Paid			(601.85)		*(579.94)*
Net Cash Flow from Operating Activities	**A**		**6,363.85**		***7,014.18***

Consolidated Statement of Cash Flows for the year ended 31st March, 2018 *(Contd.)*

		For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
B. Cash Flow from Investing Activities			
Capital expenditure on Property, Plant and Equipment (including capital advances)		(3,560.37)	*(3,322.27)*
Proceeds from sale of Property, Plant and Equipment		56.40	*15.88*
Purchase of Current Investments		(19,898.26)	*(39,451.64)*
Proceeds from sale of Current Investments		20,591.92	*38,908.43*
Consideration transferred on business combinations		Nil	*(3,692.63)*
Purchase of Non-current Investments			
Joint Ventures		(106.22)	*(25.62)*
Others		(156.28)	*(10.26)*
Proceeds from sale of Non-current Investments (Including advance)			
Joint Ventures		56.61	*184.72*
Associates		Nil	*3.50*
Others		356.43	*0.73*
Inter-corporate Deposits (Net)		(50.33)	*90.46*
Interest Received		124.11	*109.59*
Amount (paid)/received back under Contractual Obligation		31.47	*(790.00)*
Delayed Payment Charges received		26.32	*27.91*
Guarantee Commission Received		14.38	*9.73*
Dividend Received			
Joint Ventures		976.09	*499.07*
Associates		14.82	*12.43*
Others		10.59	*5.17*
Bank Balance not Considered as Cash and Cash Equivalents		(5.54)	*5.83*
Net Cash Flow used in Investing Activities	**B**	**(1,517.86)**	***(7,418.97)***
C. Cash Flow from Financing Activities			
Proceeds from Issue of Shares including shares issued to Minority Shareholders		0.15	*0.87*
Increase in Capital/Service Line Contributions		84.63	*156.35*
Payment towards acquisition of stake from Non-Controlling interest		Nil	*(266.71)*
Proceeds from Non-current Borrowings		9,750.53	*8,718.40*
Repayment of Non-current Borrowings		(11,224.74)	*(5,943.32)*
Proceeds from Current Borrowings		24,579.61	*13,524.43*
Repayment of Current Borrowings		(22,668.41)	*(11,338.75)*
Finance Cost Paid		(4,570.38)	*(3,264.20)*
Dividend Paid		(416.53)	*(415.34)*
Additional Income-tax on Dividend Paid		(90.12)	*(63.15)*
Distribution on Unsecured Perpetual Securities		(171.00)	*(171.24)*
Net Cash Flow from/(used in) Financing Activities	**C**	**(4,726.26)**	***937.34***
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**119.73**	***532.55***
Cash and Cash Equivalents as at 1st April (Opening Balance)		**818.58**	***239.79***
Cash and Cash Equivalents Acquired on Business Combinations		**Nil**	***53.85***
Effect of Exchange Fluctuation on Cash and Cash Equivalents		**6.21**	***(7.61)***
Cash and Cash Equivalents as at 31st March (Closing Balance)		**944.52**	***818.58***

Notes:

Cash and cash equivalents include:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
(a) Cash on Hand	1.07	*2.42*
(b) Cheques on Hand	28.41	*23.60*
(c) Balance with banks		
(i) In Current Accounts	905.58	*445.88*
(ii) In Current Accounts - Discontinued operations	2.73	*14.03*
(iii) In Deposit Accounts	126.10	*349.29*
(d) Bank Overdraft	(119.25)	*(16.63)*
Bank Overdraft - Discontinued operations	(0.04)	*(0.01)*
(e) Book Overdraft	(0.08)	*Nil*
	944.52	***818.58***

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Consolidated Statement of Changes in Equity

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at 1st April, 2016	270,46,29,398	270.48
Issued during the year	1,44,112	0.02
Balance as at 31st March, 2017	2,70,47,73,510	270.50
Balance as at 1st April, 2017	270,47,73,510	270.50
Issued during the year	Nil	Nil
Balance as at 31st March, 2018	270,47,73,510	270.50

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at 1st April, 2016	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2017	15,000	1,500.00
Balance as at 1st April, 2017	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2018	15,000	1,500.00

C. Other Equity

₹ crore

Description	Reserves and Surplus								Item of Other Comprehensive Income			Attributable to Owners of the Company	Attributable to Non-controlling Interests	Total
	General Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reserve	Special Reserve Fund	Statutory Reserves	Retained Earnings	Equity Instrument through Other Comprehensive Income	Foreign Currency Translation Reserve	Effective portion of cash flow hedge			
Balance as at 1st April, 2016 *	*4,086.53*	*5,646.95*	*564.71*	*15.76*	*221.30*	*74.73*	*660.08*	*766.90*	*413.20*	*274.44*	*(6.62)*	*12,717.98*	*1,749.81*	*14,467.79*
Profit for the year	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*896.55*	*Nil*	*Nil*	*Nil*	*896.55*	*203.08*	*1,099.63*
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(30.25)*	*(170.85)*	*62.98*	*5.99*	*(132.13)*	*(0.59)*	*(132.72)*
Total Comprehensive Income	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*866.30*	*(170.85)*	*62.98*	*5.99*	*764.42*	*202.49*	*966.91*
Issue of Equity Shares during the year	*Nil*	*0.85*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*0.85*	*Nil*	*0.85*
Dividend paid (including tax on dividend)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(423.65)*	*Nil*	*Nil*	*Nil*	*(423.65)*	*(97.32)*	*(520.97)*
Transfer to Retained Earnings on Sale of Shares	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*141.62*	*(141.62)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Non-controlling interest on acquisition of Subsidiaries	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*10.90*	*10.90*
Transfer to Retained Earnings	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(3.11)*	*Nil*	*Nil*	*Nil*	*(3.11)*	*3.11*	*Nil*
Transfer to Debenture Redemption Reserve	*Nil*	*Nil*	*510.14*	*Nil*	*Nil*	*Nil*	*Nil*	*(510.14)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Transfer to Special Reserve Fund	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*28.12*	*Nil*	*(28.12)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Distribution on Unsecured Perpetual Securities (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(112.44)*	*Nil*	*Nil*	*Nil*	*(112.44)*	*Nil*	*(112.44)*
Balance as at 31st March, 2017 *	***4,086.53***	***5,647.80***	***1,074.85***	***15.76***	***221.30***	***102.85***	***660.08***	***697.36***	***100.73***	***337.42***	***(0.63)***	***12,944.05***	***1,868.99***	***14,813.04***
Balance as at 1st April, 2017 *	4,086.53	5,647.80	1,074.85	15.76	221.30	102.85	660.08	697.36	100.73	337.42	(0.63)	12,944.05	1,868.99	14,813.04
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,476.56	Nil	Nil	Nil	2,476.56	202.55	2,679.11
Other Comprehensive Income/(Expenses) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(16.37)	80.87	30.13	(0.63)	94.00	(0.01)	93.99
Total Comprehensive Income	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,460.19	80.87	30.13	(0.63)	2,570.56	202.54	2,773.10
Issue of Equity Shares during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.15	0.15
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(423.64)	Nil	Nil	Nil	(423.64)	(33.51)	(457.15)
Non-controlling interest on acquisition of Subsidiaries	Nil	Nil	Nil	Nil	10.79	Nil	Nil	Nil	Nil	Nil	Nil	10.79	(22.88)	(12.09)
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	226.37	(226.37)	Nil	Nil	Nil	Nil	Nil
Transfer to Debenture Redemption Reserve	Nil	Nil	(1.69)	Nil	Nil	Nil	Nil	1.69	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to Special Reserve Fund	Nil	Nil	Nil	Nil	Nil	16.20	Nil	(16.20)	Nil	Nil	Nil	Nil	Nil	Nil
Distribution on Unsecured Perpetual Securities (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(112.06)	Nil	Nil	Nil	(112.06)	Nil	(112.06)
Balance as at 31st March, 2018	**4,086.53**	**5,647.80**	**1,073.16**	**15.76**	**232.09**	**119.05**	**660.08**	**2,833.71**	**(44.77)**	**367.55**	**(1.26)**	**14,989.70**	**2,015.29**	**17,004.99**

* Restated (Refer Note 43)

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870

Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,

N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Notes to the Consolidated Financial Statements

1. Corporate Information:

The Tata Power Company Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at Bombay House, 24, Homi Mody Street, Mumbai 400 001 India. The principal business of the Company is generation, transmission, distribution and trading of electricity.

The Company and its subsidiaries (collectively referred to as 'the Group') is one of India's largest integrated power companies with an international presence. The Group together with its joint venture companies has an installed gross generation capacity of 10757 MW and a presence in all the segments of the power sector viz. Fuel Security and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The Group serves more than 2.2 million distribution consumers in India and has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. It is also one of the largest renewable energy players in India with a clean energy portfolio of 3417 MW. Its international presence includes strategic investments in Indonesia, Singapore, South Africa, Zambia, Georgia and Bhutan. With its track record of technology leadership, project execution excellence, world class safety processes, customer care and driving green initiatives the Group is poised for multi-fold growth and is committed to 'lighting up lives' for generations to come.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, read with section 133 of the Companies Act, 2013. (as amended from time to time).

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- certain Land and buildings classified as property, plant and equipment,
- derivative financial instruments,
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.3 Basis of Consolidation

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

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

Joint Ventures are entities over which the Group has joint control but not full control. Associates are entities over which the Group has significant influence but not control. Investments in Joint Ventures and Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Joint Ventures and Associates includes goodwill identified on acquisition. (Refer Note 6a)

Notes to the Consolidated Financial Statements

2.4 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.5 Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the Consolidated Financial Statements are as follows:

Name	Country of Incorporation	% voting power held as at 31st March, 2018	*% voting power held as at 31st March, 2017*	*% voting power held as at 1st April, 2016*
Subsidiaries (Direct)				
Af-Taab Investment Co. Ltd.	India	100	*100*	*100*
Chemical Terminal Trombay Ltd.	India	*	*100*	*100*
Tata Power Trading Co. Ltd.	India	100	*100*	*100*
NELCO Ltd.	India	50.04	*50.04*	*50.04*
Maithon Power Ltd.	India	74	*74*	*74*
Tata Power Delhi Distribution Ltd.	India	51	*51*	*51*
Coastal Gujarat Power Ltd.	India	100	*100*	*100*
Bhira Investments Ltd.	Mauritius	100	*100*	*100*
Bhivpuri Investments Ltd.	Mauritius	100	*100*	*100*
Khopoli Investments Ltd.	Mauritius	100	*100*	*100*

Notes to the Consolidated Financial Statements

Name	Country of Incorporation	% voting power held as at 31st March, 2018	% voting power held as at 31st March, 2017	% voting power held as at 1st April, 2016
Trust Energy Resources Pte. Ltd.	Singapore	100	100	100
Industrial Power Utility Ltd.	India	100	100	100
Tata Ceramics Ltd. #	India	57.07	57.07	57.07
Tata Power International Pte. Ltd.	Singapore	100	100	100
Tata Power Solar Systems Ltd.	India	100	100	100
Tata Power Renewable Energy Ltd.	India	100	100	100
Tata Power Jamshedpur Distribution Ltd.	India	100	100	100
TP Ajmer Distribution Ltd (w.e.f. 17th April, 2017)	India	100	Nil	Nil
Subsidiaries (Indirect)				
PT Sumber Energi Andalan Tbk. #	Indonesia	92.50	94.61	94.61
Tata Power Green Energy Ltd.	India	100	100	100
NDPL Infra Ltd.	India	51	51	51
Energy Eastern Pte. Ltd.	Singapore	100	100	100
Tatanet Services Ltd. (TNSL) (Consolidated with NELCO Ltd.)	India	50.04	50.04	50.04
Supa Windfarm Ltd.	India	100	100	100
Poolavadi Windfarm Ltd.	India	100	100	100
Nivade Windfarm Ltd.	India	100	100	100
Indo Rama Renewables Jath Ltd.	India	100	100	Nil
Walwhan Renewable Energy Limited (formerly known as Walwhan Renewable Energy Private Limited and Welspun Renewables Energy Private Limited)	India	100	99.99	Nil
Clean Sustainable Solar Energy Private Limited @	India	99.99	99.99	Nil
Dreisatz Mysolar24 Private Limited @	India	100	100	Nil
MI Mysolar24 Private Limited @	India	100	74	Nil
Northwest Energy Private Limited @	India	100	100	Nil
Solarsys Renewable Energy Private Limited @	India	100	72.50	Nil
Walwhan Solar Energy GJ Limited @ (formerly known as Walwhan Solar Energy GJ Private Limited and Unity Power Private Limited)	India	100	74	Nil
Walwhan Solar Raj Limited @ (formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)	India	100	100	Nil
Walwhan Solar BH Limited @ (formerly known as Walwhan Solar BH Private Limited and formerly known as Welspun Energy Jharkhand Private Limited)	India	100	100	Nil
Walwhan Solar MH Limited @ (formerly known as Walwhan Solar MH Private Limited and Welspun Energy Maharashtra Private Limited)	India	100	100	Nil
Walwhan Wind RJ Limited @ (formerly known as Walwhan Wind RJ Private Limited and Welspun Energy Rajasthan Private Limited)	India	100	100	Nil
Walwhan Solar AP Limited @ (formerly known as Walwhan Solar AP Private Limited and Welspun Solar AP Private Limited)	India	100	100	Nil
Walwhan Solar KA Limited @ (formerly known as Walwhan Solar KA Private Limited and Welspun Solar Kannada Private Limited)	India	100	100	Nil

Notes to the Consolidated Financial Statements

Name	Country of Incorporation	% voting power held as at 31st March, 2018	*% voting power held as at 31st March, 2017*	*% voting power held as at 1st April, 2016*
Walwhan Solar MP Limited @ (formerly known as Walwhan Solar MP Private Limited and Welspun Solar Madhya Pradesh Private Limited)	India	100	*100*	*Nil*
Walwhan Solar PB Limited @ (formerly known as Walwhan Solar PB Private Limited and Welspun Solar Punjab Private Limited)	India	100	*100*	*Nil*
Walwhan Energy RJ Limited @ (formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)	India	100	*100*	*Nil*
Walwhan Solar TN Limited @ (formerly known as Walwhan Solar TN Private Limited and Welspun Solar Tech Private Limited)	India	100	*100*	*Nil*
Walwhan Solar RJ Limited @ (formerly known as Walwhan Solar RJ Private Limited and Welspun Solar UP Private Limited)	India	100	*100*	*Nil*
Walwhan Urja Anjar Limited @ (formerly known as Walwhan Urja Anjar Private Limited and Welspun Urja Gujarat Private Limited)	India	100	*100*	*Nil*
Chirasthayee Saurya Limited	India	100	*100*	*Nil*
Nelco Network Products Ltd. (Consolidated with NELCO Ltd.)	India	50.04	*50.04*	*Nil*
Vagarai Windfarm Limited	India	72	*100*	*Nil*
Walwhan Urja India Limited @ (formerly known as Welspun Urja India Limited)	India	100	*100*	*Nil*
Far Eastern Natural Resources LLC $	Russia	100	*Nil*	*Nil*

* Merged during the year.
# Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2018.
@ Consolidated with Walwhan Renewable Energy Ltd.
$ Far Eastern Natural Resources LLC is incorporated during the year and is yet to commence its operations

3. Other Signifiant Accounting Policies:

3.1 Foreign Currencies

The functional currency of the Group and its Indian Subsidiaries is Indian rupee (₹). The functional currency of foreign subsidiaries is the currency of their countries of domicile.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Notes to the Consolidated Financial Statements

3.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3.3.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.3.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Group's best estimate of the expenditure required to settle the Group's obligation.

3.4 Financial Instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

3.5 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

Notes to the Consolidated Financial Statements

3.5.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.5.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

3.5.4 Investment in Jointly Controlled Entities and Associates

Investment in jointly controlled entities and associates are measured at cost less impairment.

Impairment of investments:

The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.5.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s balance sheet) when:

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

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.5.6 Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the Consolidated Financial Statements

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

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

3.6.2 Equity Instruments

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

3.6.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.6.4 Derecognition

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

3.6.5 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

3.7 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps.

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

3.8 Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.9 Offsetting of financial instruments

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

Notes to the Consolidated Financial Statements

3.10 Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.11 Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight line basis over the expected life of the related assets and presented within other operating income.

The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

3.12 Dividend distribution to equity shareholders of the Parent Company

The Parent Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.13 Service Concession Agreement (SCA)

A Group entity has entered into contract for design, part finance, engineering, manufacture, supply, erection, testing, commissioning and operation and maintenance for 25 years of Grid Interactive Solar Power Project through Public Private Partnership with a public sector power generator (PSU). The PSU has paid part of the project cost to the Group on commissioning of plant/Handover of Project. Remaining cost and the operations and maintenance cost is being recovered over the period of the project in accordance with the agreement with the PSU.

The group has accounted for this as a service concession arrangement (SCA) in accordance with Appendix B of Ind AS - 11 Construction Contracts, since the control of the project asset remains with the PSU and the same shall be handed over to it at the end of the contract period free of any encumbrances. Since, the Group is exposed only to availability risk but not the demand risk, the arrangement is accounted using the financial asset model.

As per the arrangement, the share of electricity revenue is divided into three parts i.e. towards deferred payment, interest income and operation and maintenance revenue. The Group has initially measured financial asset at fair value and subsequently at amortized cost by recognizing share of electricity sale revenue first towards operation and maintenance revenue. Subsequent thereto, amount is recognised as interest income at computed Internal Rate of Return (IRR) on opening balance of the financial asset. Further, surplus of revenue share over and above operation and maintenance revenue and interest income is recognized as recovery of the financial asset.

Notes to the Consolidated Financial Statements

3.14 Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable to the Group for accounting periods beginning on or after 1st April, 2018.This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.The Group is evaluating the requirements of the standard and its impact on its financials.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any material impact on the Group.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

As at 31st March, 2018, the Group classified its interest in Tata Ceramics Limited (a subsidiary) and Tata Projects Limited, Tata Communications Limited and Panatone Finvest Limited (associates) as held for sale (refer Note 17). However, these amendments are unlikely to affect the Group's financial statements.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April, 2018. These amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Notes to the Consolidated Financial Statements

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

3.15 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for the current period.

3.16 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 4

Estimation for impairment of goodwill - Note 5 a.

Estimated fair value of unquoted securities and impairment of investments - Note 6

Estimation of defined benefit obligation - Note 23

Estimation of provision for warranty claims - Note 23

Estimation of current and deferred tax expense (Including Minimum Alternate Tax) - Note 33 and 12

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements

4 a. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Group accounting policy. 'Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Regulated Assets:

Depreciation on Property, plant and equipment in respect of electricity business of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

Non Regulated Assets:

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the Regulated and Non Regulated assets are as follows:

Type of asset	Useful lives
Leasehold Land	95 years
Hydraulic Works	35 years
Buildings-Plant	25 to 40 years
Buildings-Others	25 to 60 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	5 to 35 years
Plant and Equipment (excluding Computers and Data Processing units)	3 to 40 years
Plant and Equipment (Computers and Data Processing units)	3 to 6 years
Transmission Lines, Cable Network, etc.	4 to 35 years
Furniture and Fixtures	5 to 35 years
Office Equipment	5 to 15 years
Motor Cars	4 to 10 years
Motor Lorries, Launches, Barges etc.	25 to 35 years
Ships	20 years
Helicopters	25 years

Notes to the Consolidated Financial Statements

4 a. Property, Plant and Equipment *(Contd.)*

Decapitalisation

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

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

Impairment

Impairment of tangible and intangible assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating unit's (CGU) fair value less costs of disposal and its value in use. recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Notes to the Consolidated Financial Statements

4a. Property, Plant and Equipment *(Contd.)*

₹ crore

Description	Freehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc	Ships	Helicopters	Assets Under Lease	Total
Cost															
Balance as at 1st April, 2017	1,078.76	535.88	2,041.43	750.72	106.10	96.00	44,013.55	5,202.69	137.47	114.49	76.43	1,589.10	37.01	225.65	56,005.28
Additions	52.87	0.46	163.51	11.74	Nil	3.60	2,282.23	502.18	5.08	20.59	46.49	Nil	Nil	4.43	3,093.18
Disposals	(0.13)	Nil	(1.98)	(0.10)	Nil	Nil	(122.16)	(8.29)	(5.78)	(16.28)	(10.78)	(3.25)	Nil	Nil	(168.75)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7.99	Nil	Nil	7.99
Transferred from Investment Property	Nil	Nil	Nil	3.08	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3.08
Transferred to Discontinued Operations (Refer Note 17)	(157.56)	Nil	(58.31)	(2.86)	Nil	(0.64)	(147.76)	Nil	(14.28)	(6.03)	(5.25)	Nil	Nil	Nil	(392.69)
Reclassified (to)/from held for sale	Nil	0.34	(0.76)	(0.45)	Nil	0.49	(27.69)	2.94	(0.19)	(0.43)	(0.08)	Nil	Nil	Nil	(25.83)
Balance as at 31st March, 2018	973.94	536.68	2,143.89	762.13	106.10	99.45	45,998.17	5,699.52	122.30	112.34	106.81	1,593.84	37.01	230.08	58,522.26
Accumulated depreciation and impairment															
Balance as at 1st April, 2017	Nil	270.50	457.75	157.11	44.79	65.72	9,453.23	1,802.80	77.44	64.39	40.12	306.05	27.11	5.34	12,772.35
Depreciation Expense - Continued Operations	Nil	12.32	60.70	40.96	5.60	2.81	1,821.37	228.71	11.80	14.60	15.02	59.74	3.67	2.80	2,280.10
Depreciation Expense - Discontinued Operations	Nil	Nil	1.25	0.31	Nil	0.05	7.35	Nil	1.26	0.61	1.13	Nil	Nil	Nil	11.96
Eliminated on disposal of assets	Nil	Nil	(1.69)	(0.55)	Nil	(0.05)	(87.45)	(3.25)	(6.75)	(13.14)	(6.70)	Nil	Nil	Nil	(119.58)
Charge for the year - Impairment [Refer Note (i) below]	Nil	Nil	16.00	3.81	Nil	0.77	423.79	0.67	0.30	0.08	0.32	Nil	Nil	Nil	445.74
Transferred from Investment Property	Nil	Nil	Nil	2.16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.16
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.22	Nil	Nil	2.22
Transferred to Discontinued Operations (Refer Note 17)	Nil	Nil	(12.09)	(0.81)	Nil	(0.20)	(64.99)	Nil	(7.00)	(3.31)	(1.30)	Nil	Nil	Nil	(89.70)
Reclassified (to)/from held for sale	Nil	0.18	(3.64)	(0.16)	Nil	0.14	(36.94)	1.06	(0.07)	(0.16)	(0.07)	Nil	Nil	Nil	(39.66)
Balance as at 31st March, 2018	Nil	283.00	518.28	202.83	50.39	69.24	11,516.36	2,029.99	76.98	63.07	48.52	368.01	30.78	8.14	15,265.59
Net carrying amount															
As at 31st March, 2018	**973.94**	**253.68**	**1,625.61**	**559.30**	**55.71**	**30.21**	**34,481.81**	**3,669.53**	**45.32**	**49.27**	**58.29**	**1,225.83**	**6.23**	**221.94**	**43,256.67**
As at 31st March, 2017	**1,078.76**	**265.38**	**1,583.68**	**593.61**	**61.31**	**30.28**	**34,560.32**	**3,399.89**	**60.03**	**50.10**	**36.31**	**1,283.05**	**9.90**	**220.31**	**43,232.93**

Notes to the Consolidated Financial Statements

4a. Property, Plant and Equipment *(Contd.)*

₹ crore

Description	Freehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc	Ships	Helicopters	Assets Under Lease	Total
Cost															
Balance as at 1st April, 2016	*919.21*	*534.97*	*1,847.74*	*742.09*	*106.10*	*93.70*	*36,483.98*	*4,802.77*	*133.46*	*137.77*	*72.82*	*1,263.11*	*37.01*	*225.65*	*47,400.38*
Additions	*41.59*	*0.91*	*86.03*	*10.31*	*Nil*	*2.88*	*2,332.70*	*408.39*	*4.72*	*6.98*	*10.79*	*364.82*	*Nil*	*Nil*	*3,270.12*
Disposals	*(7.49)*	*Nil*	*(3.27)*	*(1.68)*	*Nil*	*(0.01)*	*(104.25)*	*(5.53)*	*(1.64)*	*(31.22)*	*(7.43)*	*Nil*	*Nil*	*Nil*	*(162.52)*
Acquisitions through business combinations	*175.28*	*Nil*	*117.74*	*Nil*	*Nil*	*Nil*	*5,359.36*	*Nil*	*0.98*	*0.96*	*0.25*	*Nil*	*Nil*	*Nil*	*5,654.57*
Exchange Movement	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(0.05)*	*Nil*	*Nil*	*(38.83)*	*Nil*	*Nil*	*(38.88)*
Reclassified (to)/from held for sale	*(49.83)*	*Nil*	*(6.81)*	*Nil*	*Nil*	*(0.57)*	*(58.24)*	*(2.94)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(118.39)*
Balance as at 31st March, 2017	*1,078.76*	*535.88*	*2,041.43*	*750.72*	*106.10*	*96.00*	*44,013.55*	*5,202.69*	*137.47*	*114.49*	*76.43*	*1,589.10*	*37.01*	*225.65*	*56,005.28*
Accumulated depreciation and impairment															
Balance as at 1st April, 2016	*Nil*	*257.84*	*407.03*	*132.48*	*39.19*	*63.03*	*8,055.08*	*1,643.11*	*68.52*	*92.22*	*36.54*	*254.89*	*23.96*	*2.96*	*11,076.85*
Depreciation Expense - Continued Operations	*Nil*	*12.66*	*53.79*	*25.02*	*5.60*	*2.86*	*1,517.82*	*164.71*	*8.94*	*9.26*	*7.18*	*58.48*	*3.15*	*2.38*	*1,871.85*
Depreciation Expense - Discontinued Operations	*Nil*	*Nil*	*1.65*	*0.41*	*Nil*	*0.05*	*9.57*	*Nil*	*1.63*	*0.54*	*0.01*	*Nil*	*Nil*	*Nil*	*13.86*
Eliminated on disposal of assets	*Nil*	*Nil*	*(2.80)*	*(0.80)*	*Nil*	*(0.01)*	*(88.39)*	*(3.96)*	*(1.63)*	*(37.63)*	*(3.61)*	*Nil*	*Nil*	*Nil*	*(138.83)*
Exchange Movement	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(0.02)*	*Nil*	*Nil*	*(7.32)*	*Nil*	*Nil*	*(7.34)*
Reclassified (to)/from held for sale	*Nil*	*Nil*	*(1.92)*	*Nil*	*Nil*	*(0.21)*	*(40.85)*	*(1.06)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(44.04)*
Balance as at 31st March, 2017	*Nil*	*270.50*	*457.75*	*157.11*	*44.79*	*65.72*	*9,453.23*	*1,802.80*	*77.44*	*64.39*	*40.12*	*306.05*	*27.11*	*5.34*	*12,772.35*
Net carrying amount															
As at 31st March, 2017	***1,078.76***	***265.38***	***1,583.68***	***593.61***	***61.31***	***30.28***	***34,560.32***	***3,399.89***	***60.03***	***50.10***	***36.31***	***1,283.05***	***9.90***	***220.31***	***43,232.93***
As at 1st April, 2016	***919.21***	***277.13***	***1,440.71***	***609.61***	***66.91***	***30.67***	***28,428.90***	***3,159.66***	***64.94***	***45.55***	***36.28***	***1,008.22***	***13.05***	***222.69***	***36,323.53***

Notes:

@ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.

* Denotes figures below ₹ 50,000/-.

Impairment charge recorded during the year

(i) During the year, in respect of Unit 6 generating station of the parent Company (Power Segment) located at Trombay and considering the high variable cost of generation and the possibility of entering into a long term Power Purchase Agreement (PPA) being remote, management has accordingly tested the Unit for impairment and has considered its recoverable amount of ₹ 28 crore being fair value (less costs of disposal) and recorded an impairment charge of ₹ 100 crore.
The fair value on account of non renewal of PPA has been determined based on a valuation report given by an expert which uses Level 3 valuation techniques, the key assumption being prices of steel scrap.

(ii) During the year, the Group has recorded an impairment charge of ₹ 37.57 crore against the carrying value of the Rithala power generation plant. [Refer Note 35(e)].

(iii) During the year, the Group has recorded an impairment charge of ₹ 308.18 crore against the carrying value of the Mundra power generation plant. [Refer Note 6(b)(i)].

Previous year's figures are in italics.

Notes to the Consolidated Financial Statements

4 b. Investment Property

Accounting Policy

Investment property held to earn rentals or for capital appreciation are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss. Gain or loss on disposal of investment properties is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

₹ crore

	Building Given under Operating Lease	Total
Cost		
Balance as at 1st April, 2017	5.64	5.64
Reclassified to Property, Plant and Equipment	(3.08)	(3.08)
Disposal	(2.56)	(2.56)
Balance as at 31st March, 2018	Nil	Nil
Accumulated amortisation and impairment		
Balance as at 1st April, 2017	3.15	3.15
Depreciation expense	0.04	0.04
Reclassified to Property, Plant and Equipment	(2.16)	(2.16)
Eliminated on Disposal of assets	(1.03)	(1.03)
Balance as at 31st March, 2018	Nil	Nil
Net carrying amount		
As at 31st March, 2018	**Nil**	**Nil**
As at 31st March, 2017	**2.49**	**2.49**

₹ crore

	Building Given under Operating Lease	Total
Cost		
Balance as at 1st April, 2016	*5.93*	*5.93*
Additions	*Nil*	*Nil*
Disposal	*(0.29)*	*(0.29)*
Balance as at 31st March, 2017	*5.64*	*5.64*
Accumulated amortisation and impairment		
Balance as at 1st April, 2016	*3.36*	*3.36*
Depreciation expense	*0.05*	*0.05*
Eliminated on Disposal of assets	*(0.26)*	*(0.26)*
Balance as at 31st March, 2017	*3.15*	*3.15*
Net carrying amount		
As at 31st March, 2017	***2.49***	***2.49***
As at 31st March, 2016	***2.57***	***2.57***

Note:

Buildings include ₹ 500/- being cost of ordinary shares in a co-operative society.

Notes to the Consolidated Financial Statements

4 b. Investment Property *(Contd.)*

Information regarding Income and expenditure of Investment properties

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
Rental Income	0.58	*Nil*
Direct Operating Expense arising from Investment Property that generated rental income during the year	(0.07)	*Nil*
Direct Operating Expense arising from Investment Property that did not generate rental income during the year	(0.09)	*(0.29)*
Net Income/(Expense)	**0.42**	**(0.29)**

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Fair Value Hierarchy	Fair Value		
	(Refer Note below)		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Building	Market Comparable Approch	Level 2	Nil	*36.76*	*32.99*

Fair Value:

The investment properties includes a property located in Mumbai which has been reclassified as Property, Plant and Equipment during the year ended 31st March, 2018 and a property located in Bengaluru which has been sold during the year ended 31st March, 2018.

The fair value of the said properties as at 31st March, 2017 and 1st April, 2016 have been arrived at on the basis of valuation carried out as on the respective dates by independent valuer registered with the authority which governs valuers in India. The fair value was derived using the market comparable approach based on recent market prices for similar properties in the neighbourhood without any significant adjustment being made to the market observable data, but adjusted based on the valuer's knowledge of the factors specific to the properties.

5 a. Goodwill

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Cost			
Balance at beginning of the year	1,653.57	*5.54*	*5.54*
Additional amounts recognised from business combinations occurring during the year	Nil	*1,726.94*	*Nil*
Measurement period adjustment on account of business combination done during the year ended 31st March, 2017	Nil	*(78.91)*	*Nil*
Less: Impairment during the year	(12.00)	*Nil*	*Nil*
Balance at end of the year	**1,641.57**	***1,653.57***	***5.54***

During the year 31st March, 2017, the Group had acquired Walwhan Renewable Energy Limited along with it's subsidiaries for a consideration of ₹ 3,782.30 crore. The goodwill was provisionally determined at ₹ 1,713.84 crore. As per the share purchase agreement, the provisional consideration was to be adjusted for certain events existing at the closing date. During the current year, the Group has adjusted the fair value of consideration by ₹ 70.22 crore being the measurement period adjustment and has revised the goodwill in the comparative period.

During the year ended 31st March, 2017, the Group also acquired Walwhan Solar Raj Limited and a goodwill of ₹ 11.42 crore was recorded. During the year, the Group has made a measurement period adjustment of ₹ 8.69 crore consequent to recognition of deferred tax asset on reassessment .

Notes to the Consolidated Financial Statements

5 a. Goodwill *(Contd.)*

The Group undertook the impairment testing of Goodwill assigned to each Cash Generating Unit (CGU) as at 31st March, 2018 applying value in use approach across all the CGUs i.e. using cash flow projections based on financial budgets covering contracted power sale agreements with procurers (15 to 20 years) using a discount rate (pre-tax) in the range of 10.05% to 11.20% per annum. The Group has used financial projections for 15 to 20 years as the tariff rates are fixed as per PPA.

Based on the results of the Goodwill impairment test, in one of the CGU, the estimated value in use was less than its carrying amount (including goodwill) by ₹ 12 crore and accordingly impairment loss provision has been recognized as an exceptional expense in the Statement of Profit and Loss.

The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill other than the one reported above.

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

O&M cost inflation	O&M cost escalation of 8.30% for the first 5 years and 4% there after.
Discount Rate	10.05% to 11.20% Pre-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return based on the current market expectations.
Plant load factor (PLF)	Plant load factor is estimated for each CGU based on past trend of PLF and expected PLF in future.

5 b. Other Intangible Assets

Accounting Policy

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Derecognition of Intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of asset	Useful lives
Copyrights,patents, other intellectual property rights, services and operating rights	5 years
Right to Use Assets (Intake Channel)	5 years
Customer Contracts acquired under business combination	12 to 25 years
Computer Software	4 to 5 years
Power Distribution Rights	20 years

Notes to the Consolidated Financial Statements

5 b. Other Intangible Assets *(Contd.)*

₹ crore

Description	Copyrights, patents, other intellectual property rights, services and operating rights #	Right To Use Assets (Intake Channel) $	Customer Contracts acquired under business combination	Computer software $	Power Distribution Rights @	Total
Cost						
Balance as at 1st April, 2017	114.92	163.51	1,386.57	304.88	Nil	1,969.88
Additions	17.56	11.20	Nil	35.80	27.69	92.25
Transferred to Discontinued Operations	(120.08)	Nil	Nil	(24.95)	Nil	(145.03)
Disposal	Nil	Nil	Nil	(0.35)	Nil	(0.35)
Balance as at 31st March, 2018	**12.40**	**174.71**	**1,386.57**	**315.38**	**27.69**	**1,916.75**
Accumulated amortisation and impairment						
Balance as at 1st April, 2017	52.92	36.00	37.91	137.25	Nil	264.08
Amortisation expense - Continuing Operations	0.37	6.61	62.43	47.51	1.04	117.96
Amortisation expense - Discontinued Operations	15.81	Nil	Nil	3.40	Nil	19.21
Impairment [Refer Note 6(b)(i)]	Nil	2.74	Nil	0.02	Nil	2.76
Transferred to Discontinued Operations	(58.48)	Nil	Nil	(11.47)	Nil	(69.95)
Eliminated on Disposal of assets	Nil	Nil	Nil	(0.39)	Nil	(0.39)
Balance as at 31st March, 2018	**10.62**	**45.35**	**100.34**	**176.32**	**1.04**	**333.67**
Net carrying amount						
As at 31st March, 2018	**1.78**	**129.36**	**1,286.23**	**139.06**	**26.65**	**1,583.08**
As at 31st March, 2017	**62.00**	**127.51**	**1,348.66**	**167.63**	**Nil**	**1,705.80**

₹ crore

Description	Copyrights, patents, other intellectual property rights, services and operating rights #	Right To Use Assets (Intake Channel) $	Customer Contracts acquired under business combination	Computer software $	Power Distribution Rights @	Total
Cost						
Balance as at 1st April, 2016	*93.26*	*163.51*	*1.07*	*229.17*	*Nil*	*487.01*
Additions	*35.34*	*Nil*	*Nil*	*81.52*	*Nil*	*116.86*
Acquisitions through business combinations	*Nil*	*Nil*	*1,385.50*	*Nil*	*Nil*	*1,385.50*
Disposal	*(13.68)*	*Nil*	*Nil*	*(5.81)*	*Nil*	*(19.49)*
Balance as at 31st March, 2017	***114.92***	***163.51***	***1,386.57***	***304.88***	***Nil***	***1,969.88***
Accumulated amortisation and impairment						
Balance as at 1st April, 2016	*50.54*	*29.46*	*0.85*	*98.82*	*Nil*	*179.67*
Amortisation expense - Continuing Operations	*0.02*	*6.54*	*33.79*	*43.34*	*Nil*	*83.69*
Amortisation expense - Discontinued Operations	*15.88*	*Nil*	*3.27*	*Nil*	*Nil*	*19.15*
Eliminated on Disposal of assets	*(13.52)*	*Nil*	*Nil*	*(4.91)*	*Nil*	*(18.43)*
Balance as at 31st March, 2017	***52.92***	***36.00***	***37.91***	***137.25***	***Nil***	***264.08***
Net carrying amount						
As at 31st March, 2017	***62.00***	***127.51***	***1348.66***	***167.63***	***Nil***	***1,705.80***
As at 1st April, 2016	***42.72***	***134.05***	***0.22***	***130.35***	***Nil***	***307.34***

Notes:

Internally generated intangible assets.

$ Other than internally generated Intangible Assets.

@ Power Distribution Rights relate to the value of construction service obligation for construction and upgradation of the power supply infrastructure in Ajmer city as per the agreement with Ajmer Vidyut Vitaran Nigam Limited.

Depreciation/Amortisation:

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Depreciation on Tangible Assets	2,280.10	*1,871.85*
Add: Depreciation on Investment Property	0.04	*0.05*
Add: Amortisation on Intangible Assets	117.96	*83.69*
Total	**2,398.10**	***1,955.59***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
I Investment in Associates							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
Tata Communications Ltd. $	Nil	*1,34,22,037*	*1,34,22,037*	10	Nil	*105.99*	*13.36*
(b) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Brihat Trading Private Ltd.	3,350	*3,350*	*3,350*	10	0.01	*0.01*	*0.01*
ASL Advanced Systems Pvt. Ltd.	Nil	*Nil*	*5,55,000*	10	Nil	*Nil*	*0.56 ***
The Associated Building Co. Ltd.	1,825	*1,825*	*1,825*	900	0.17	*0.17*	*0.17*
Panatone Finvest Ltd. $	Nil	*59,08,82,000*	*59,08,82,000*	10	Nil	*275.33*	*25.25*
Nelito Systems Ltd. $	Nil	*Nil*	*10,20,000*	10	Nil	*Nil*	*21.46*
Yashmun Engineers Ltd.	19,200	*19,200*	*19,200*	100	5.31	*5.31*	*4.79*
Dagachhu Hydro Power Corporation Ltd.	10,74,320	*10,74,320*	*10,74,320*	Nu 1,000	98.09	*109.53*	*99.98*
Tata Projects Ltd. $	Nil	*9,67,500*	*9,67,500*	100	Nil	*409.76*	*350.69*
					103.58	*800.11*	*502.91*
** *Less:* Impairment in the value of Investments					Nil	*Nil*	*0.56*
					103.58	*800.11*	*502.35*
II Investment in Joint Ventures							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
PT Kaltim Prima Coal	1,23,540	*1,23,540*	*1,23,540*	USD 100	4,298.24 **	*4,062.03 ***	*4,023.61 ***
PT Mitratama Perkasa $	Nil	*Nil*	*3,600*	IDR 10,00,000	Nil	*Nil*	*490.61*
Indocoal Resources (Cayman) Ltd.	300	*300*	*300*	USD 1	3,263.02	*3,234.67*	*3,303.51*
PT Indocoal Kaltim Resources	82,380	*82,380*	*82,380*	IDR 10,000	0.25	*0.24*	*0.01*
PT Nusa Tambang Pratama	18,000	*18,000*	*18,000*	IDR 10,000	959.64	*766.48*	*675.61*
Candice Investments Pte. Ltd.	3	*3*	*3*	SGD 1	11.45	*7.45*	*3.24*
PT Marvel Capital Indonesia	1,07,459	*1,07,459*	*1,07,459*	IDR 10,000	*	*	*
PT Dwikarya Prima Abadi	10,769	*10,769*	*10,769*	IDR 1,00,000	231.49	*225.27*	*203.58*
PT Kalimantan Prima Power	7,500	*7,500*	*7,500*	USD 100	173.77	*190.02*	*170.91*
PT Baramulti Sukessarana Tbk.	68,02,90,000	*68,02,90,000*	*68,02,90,000*	IDR 100	1,147.90 **	*1,039.71 ***	*1,053.97 ***
Indocoal KPC Resources (Cayman) Ltd.	300	*300*	*300*	USD 1	0.32	*0.18*	*0.19*
Adjaristsqali Netherlands BV	16,459	*16,459*	*15,671*	Euro 1	344.50	*341.03*	*351.32*
Khoromkheti Netherlands BV #	500	*500*	*500*	Euro 1	Nil	*Nil*	*Nil*
Cennergi Pty. Ltd.	86	*86*	*85*	ZAR	131.61	*178.49*	*245.98*
Itezhi Tezhi Power Corporation	4,52,500	*4,52,500*	*4,52,500*	ZMW 1	456.30	*413.24*	*307.40*
OTP Geothermal Pte. Ltd.	Nil	*Nil*	*4,48,07,876*	USD 1	Nil	*Nil*	*257.05 ***
Resurgent Power Ventures Pte Ltd	14,736	*14,736*	*Nil*	USD 1	11.60	*0.51*	*Nil*
LTH Milcom Private Ltd. $	Nil	*66,660*	*Nil*	10	Nil	*0.07*	*Nil*
Powerlinks Transmission Ltd.	23,86,80,000	*23,86,80,000*	*23,86,80,000*	10	440.12	*424.41*	*373.35*
Industrial Energy Ltd.	49,28,40,000	*49,28,40,000*	*49,28,40,000*	10	556.60	*588.24*	*623.81*
Dugar Hydro Power Ltd.	4,32,50,002	*4,32,50,002*	*4,32,50,002*	10	23.64	*23.68*	*42.13*
Tubed Coal Mines Ltd. #	1,01,97,800	*1,81,97,800*	*1,81,17,800*	10	Nil	*Nil*	*Nil*
Mandakini Coal Company Ltd. #	3,93,00,000	*3,93,00,000*	*3,93,00,000*	10	Nil	*Nil*	*Nil*
					12,050.45	*11,495.72*	*12,126.28*
***Less:* Impairment in the value of Investments [Refer Note 6 b.(i)]					1,042.37	*2,905.73*	*3,037.59*
					11,008.08	*8,589.99*	*9,088.69*
(b) Investment in Perpetual Securities in Joint Ventures							
Unquoted							
Adjaristsqali Netherlands BV					91.25 **	*Nil*	*Nil*
***Less:* Impairment in the value of Investments [Refer Note 6 b.(ii)]					(91.25)	*Nil*	Nil
					Nil	*Nil*	Nil
Total					**11,111.66**	***9,496.09***	***9,604.40***

Notes:

		2018	2017	2016
1.	Aggregate Market Value of Quoted Investments	Nil	*969.14*	*506.82*
2.	Aggregate Carrying Value of Quoted Investments	Nil	*105.99*	*13.36*
3.	Aggregate Carrying Value of Unquoted Investments (Net of Impairment)	11,111.66	*9,390.10*	*9,591.04*

* Denotes figure below ₹ 50,000

$ Classified as held for sale

\# Share of Profit / Loss has not been considered, since loss being restricted to the cost of investments.

** Impairment in the value of Investments

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

I Details of Material Associates

Details of each of the Group's Material Associates at the end of the reporting period are as follows:

Sr. No.	Name of Associate	Principal Activity	Place of incorporation and principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group		
				As at 31st March, 2018	*As at 31st March, 2017*	*As at 1st April, 2016*
A	Tata Communicatons Limited ^ $	Telecommunications	India	4.71%	*4.71%*	*4.71%*
B	Panatone Finvest Limited $	Investments NBFC	India	39.98%	*39.98%*	*39.98%*
C	Tata Projects Limited $	EPC Contracts	India	47.78%	*47.78%*	*47.78%*
D	Dagachhu Hydro Power Corporation Limited	Hydro Power Generation Company	Bhutan	26.00%	*26.00%*	*26.00%*

^ The Group through its associate "Panatone Finvest Limited", holds 30.10% of Equity Shares in "Tata Communications Limited", resulting, the Group having significant influence on Tata Communications Limited. Accordingly, Investment in Tata Communications Limited has been classified as an associate and accounted for using the Equity Method.

$ Classified as held for sale during the year

Summarised Financial Information of Material Associates:

A Tata Communicatons Limited

	As at 31st March, 2017 ₹ *crore*	*As at 1st April, 2016* ₹ *crore*
Non-current Assets	*15,916.50*	*18,546.35*
Current Assets	*5,185.79*	*6,627.26*
Non-current Liabilities	*(11,099.85)*	*(14,844.62)*
Current Liabilities	*(8,392.17)*	*(10,685.45)*
	1,610.27	***(356.46)***

	For the year ended 31st March, 2017 ₹ *crore*
Revenue	*17,619.73*
Profit/(Loss) from Continuing Operations	*(761.40)*
Post Tax Profit/(Loss) from Discontinued Operations	*1,996.86*
Profit for the year	*1,235.46*
Other Comprehensive Income/(Expense) for the year	*864.64*
Total Comprehensive Income/(Expense) for the year	***2,100.10***
Dividends received from Tata Communications Limited during the year	*5.77*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

I Details of Material Associates (*Contd.*)

A Tata Communicatons Limited (*Contd.*)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Tata Communications Limited recognised in the consolidated financial statements:

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Net Assets of Tata Communications Limited	1,610.27	(356.46)
Proportion of the Group's ownership interest in Tata Communications Limited	4.71%	4.71%
	75.84	(16.79)
Goodwill	30.15	30.15
Carrying amount of the Group's interest in Tata Communications Limited	**105.99**	**13.36**

B Panatone Finvest Limited

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Assets	663.65	75.09
Current Assets	21.30	4.41
Non-current Liabilities	Nil	Nil
Current Liabilities	(0.05)	(20.13)
	684.90	**59.37**

	For the year ended 31st March, 2017 ₹ crore
Revenue	0.71
Profit for the year	365.27
Other Comprehensive Income/(Expense) for the year	260.27
Total Comprehensive Income/(Expense) for the year	**625.54**
Dividends received from Panatone Finvest Limited during the year	Nil

Reconciliation of the above summarised financial information to the carrying amount of the interest in Panatone Finvest Limited recognised in the consolidated financial statements:

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Net Assets of Panatone Finvest Limited	684.90	59.37
Proportion of the Group's ownership interest in Panatone Finvest Limited	39.98%	39.98%
	273.82	23.74
Goodwill	1.51	1.51
Carrying amount of the Group's interest in Panatone Finvest Limited	**275.33**	**25.25**

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

I Details of Material Associates (*Contd.*)

C Tata Projects Limited

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Assets	*612.33*	*491.74*
Current Assets	*6,195.33*	*4,847.23*
Non-current Liabilities	*(57.72)*	*(26.21)*
Current Liabilities	*(5,753.71)*	*(4,435.45)*
	996.23	***877.31***

	For the year ended 31st March, 2017 ₹ crore
Revenue	*6,057.56*
Profit for the year	*135.47*
Other Comprehensive Income/(Expense) for the year	*(4.31)*
Total Comprehensive Income for the year	***131.16***
Dividends received from Tata Projects Limited during the year	*4.84*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Tata Projects Limited recognised in the consolidated financial statements:

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Net Assets of Tata Projects Limited	*996.23*	*877.31*
Proportion of the Group's ownership interest in Tata Projects Limited	*47.78%*	*47.78%*
	476.00	*419.18*
Goodwill	*23.30*	*23.30*
Deferred Tax Liability on Unrealised profits	*(84.00)*	*(84.00)*
Elimination of Unrealised Profits	*(5.54)*	*(7.79)*
Carrying amount of the Group's interest in Tata Projects Limited	***409.76***	***350.69***

D Dagachhu Hydro Power Corporation Ltd.

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Assets	1,165.90	*1,214.02*	*1,262.15*
Current Assets	52.26	*45.99*	*54.28*
Non-current Liabilities	(787.26)	*(788.34)*	*(890.46)*
Current Liabilities	(53.83)	*(50.40)*	*(41.43)*
	377.07	***421.27***	***384.54***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

I Details of Material Associates (*Contd.*)

D Dagachhu Hydro Power Corporation Ltd. (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	128.30	*120.80*
Profit for the year	(43.94)	*50.57*
Other Comprehensive Income/(Expense) for the year	(0.02)	*(0.23)*
Total Comprehensive Income/(Expense) for the year	**(43.96)**	***50.34***
Dividends received from Dagachhu Hydro Power Corporation Ltd. during the year	Nil	*1.77*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dagachhu Hydro Power Corporation Ltd. recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of Dagachhu Hydro Power Corporation Ltd.	377.07	*421.27*	*384.54*
Proportion of the Group's ownership interest in Dagachhu Hydro Power Corporation Ltd.	26.00%	*26.00%*	*26.00%*
Carrying amount of the Group's interest in Dagachhu Hydro Power Corporation Ltd.	**98.09**	***109.53***	***99.98***

II Details of individually not Material Associates

Name of Associate	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group		
			As at 31st March, 2018	*As at 31st March, 2017*	*As at 1st April, 2016*
Nelito Systems Ltd. $	Indian IT Solution and Services	India	28.15%	*28.15%*	*49.89%*
Yashmun Engineers Ltd. #	Billing and other related Services	India	27.27%	*27.27%*	*27.27%*
ASL Advanced Systems Pvt. Ltd. $	Global Positioning Systems	India	Nil	*Nil*	*32.90%*
Brihat Trading Private Ltd. #	Trading Business	India	33.21%	*33.21%*	*33.21%*
The Associated Building Co. Ltd. #	Services Provided for Building	India	33.14%	*33.14%*	*33.14%*

These associates have not been considered for consolidation being not material to the Group.

$ Partially Sold during the year and balance classified as held for sale

Aggregate Summarised Financial Information of associates that are not individually material

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
The Group's share of Profit/(Loss) from Continuing Operations	Nil	*(0.08)*
The Group's share of Other Comprehensive Income/(Expense)	Nil	*Nil*
The Group's share of Total Comprehensive Income/(Expense)	Nil	*(0.08)*

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Aggregate carrying amount of the Group's interests in these Associates	5.49	*5.49*	*26.99*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

I Details of individually not Material Associates (*Contd.*)

Aggregate Summarised Financial Information of associates that are not individually material (*Contd.*)

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
# Unrecognised share of losses of an Associate	Nil	*Nil*

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
# Cumulative share of loss of an associate	Nil	*Nil*	*0.43*

III Details and Financial Information of Material Joint Ventures at the end of the reporting period is as follows:

Sr. No	Name of Joint Venture	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest and Voting Rights held by the Group		
				As at 31st March, 2018	*As at 31st March, 2017*	*As at 1st April, 2016*
A	PT Kaltim Prima Coal	Coal mining and exploration	Indonesia	30.00%	*30.00%*	*30.00%*
B	Indocoal Resources (Cayman) Ltd. #	Coal Trading	Cayman Island	30.00%	*30.00%*	*30.00%*
C	PT Nusa Tambang Pratama	Infrastructure Support for Coal Business	Indonesia	30.00%	*30.00%*	*30.00%*
D	PT Baramulti Suksessarana TBK	Coal mining and trading	Indonesia	26.00%	*26.00%*	*26.00%*
E	Itezhi Tezhi Power Corporation	Hydro power generation	Zambia	50.00%	*50.00%*	*50.00%*
F	Powerlinks Transmission Limited	Power transmission	India	51.00%	*51.00%*	*51.00%*
G	Industrial Energy Limited	Power generation and operation of power plant	India	74.00%	*74.00%*	*74.00%*

Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2018.

A PT Kaltim Prima Coal

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	2,763.42	*3,563.10*	*4,901.68*
Current Assets	5,743.19	*4,381.68*	*10,187.97*
Non-current Liabilities	(1,974.93)	*(2,168.47)*	*(2,654.64)*
Current Liabilities	(4,039.08)	*(4,005.21)*	*(11,081.91)*
	2,492.60	***1,771.10***	***1,353.10***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	537.72	*459.65*	*112.57*
Current Financial Liabilities (excluding trade payables and provisions)	(1,887.28)	*(2,270.68)*	*(2,020.81)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(127.26)	*(224.02)*	*(509.36)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

A PT Kaltim Prima Coal (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	25,518.19	*21,734.86*
Profit for the year	3,632.14	*1,548.67*
Other Comprehensive Income/(Expense) for the year	(34.58)	*(46.67)*
Total Comprehensive Income for the year	**3,597.56**	***1,502.00***
Dividends received during the year	867.89	*314.87*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	1039.66	*1437.27*
Interest Income	25.19	*15.79*
Interest Expense	56.08	*62.76*
Income-tax Expense	3,013.66	*1,490.61*

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Kaltim Prima Coal recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of PT Kaltim Prima Coal	2,492.60	*1,771.10*	*1,353.10*
Proportion of the Group's ownership interest in PT Kaltim Prima Coal	30.00%	*30.00%*	*30.00%*
	747.78	*531.33*	*405.93*
Goodwill	3,550.46	*3,530.70*	*3,617.68*
Carrying amount of the Group's interest in PT Kaltim Prima Coal	**4,298.24**	***4,062.03***	***4,023.61***
Impairment of Goodwill	(456.71)	*(2,665.78)*	*(2,723.23)*
Carrying amount of the Group's interest in PT Kaltim Prima Coal (net of impairment)	**3,841.53**	***1,396.25***	***1,300.38***

B Indocoal Resources (Cayman) Ltd.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	3,410.44	*2,141.32*	*2,837.81*
Current Assets	38.08	*1,179.03*	*386.17*
Non-current Liabilities	Nil	*Nil*	*Nil*
Current Liabilities	(1,269.89)	*(1,184.44)*	*(1,065.40)*
	2,178.63	***2,135.91***	***2,158.58***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	Nil	*Nil*	*Nil*
Current Financial Liabilities (excluding trade payables and provisions)	Nil	*Nil*	*Nil*
Non-current Financial Liabilities (excluding trade payables and provisions)	Nil	*Nil*	*Nil*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

B Indocoal Resources (Cayman) Ltd. (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	Nil	*21.32*
Profit for the year	36.70	*23.66*
Other Comprehensive Income/(Expense) for the year	Nil	*Nil*
Total Comprehensive Income for the year	**36.70**	***23.66***
Dividends received during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	25.50	*21.30*
Interest Expense	Nil	*Nil*
Income-tax Expense	Nil	*Nil*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Indocoal Resources (Cayman) Ltd. recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of Indocoal Resources (Cayman) Ltd.	2,178.63	*2,135.91*	*2,158.58*
Proportion of the Group's ownership interest in Indocoal Resources (Cayman) Ltd.	30.00%	*30.00%*	*30.00%*
	653.59	*640.77*	*647.57*
Goodwill	2,609.43	*2,593.90*	*2,655.94*
Carrying amount of the Group's interest in Indocoal Resources (Cayman) Ltd.	**3,263.02**	***3,234.67***	***3,303.51***

C PT Nusa Tambang Pratama

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	2,096.85	*2,214.90*	*2,418.84*
Current Assets	2,274.84	*1,430.68*	*909.43*
Non-current Liabilities	(91.32)	*(73.94)*	*(53.08)*
Current Liabilities	(1,078.55)	*(1,016.30)*	*(1,022.64)*
	3,201.82	***2,555.34***	***2,252.55***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	125.28	*216.25*	*38.55*
Current Financial Liabilities (excluding trade payables and provisions)	(594.83)	*(591.85)*	*(604.60)*
Non-current Financial Liabilities (excluding trade payables and provisions)	Nil	*Nil*	*Nil*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

C PT Nusa Tambang Pratama (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	1,021.00	*867.62*
Profit for the year	623.95	*441.60*
Other Comprehensive Income/(Expense) for the year	(0.05)	*(0.01)*
Total Comprehensive Income for the year	**623.90**	***441.59***
Dividends received during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	127.79	*118.91*
Interest Income	30.07	*5.73*
Interest Expense	56.64	*87.09*
Income-tax Expense	202.90	*159.48*

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Nusa Tambang Pratama recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of PT Nusa Tambang Pratama	3,201.82	*2,555.34*	*2,252.55*
Proportion of the Group's ownership interest in PT Nusa Tambang Pratama	30.00%	*30.00%*	*30.00%*
	959.64	*766.48*	*675.61*
Goodwill	Nil	*Nil*	*Nil*
Carrying amount of the Group's interest in PT Nusa Tambang Pratama	**959.64**	***766.48***	***675.61***

D PT Baramulti Suksessarana TBK

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	878.52	*830.85*	*836.26*
Current Assets	700.94	*527.29*	*273.91*
Non-current Liabilities	(36.43)	*(40.04)*	*(81.66)*
Current Liabilities	(430.89)	*(603.88)*	*(336.98)*
	1,112.14	***714.22***	***691.53***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	256.93	*293.30*	*107.94*
Current Financial Liabilities (excluding trade payables and provisions)	(54.22)	*(331.13)*	*(147.49)*
Non-current Financial Liabilities (excluding trade payables and provisions)	Nil	*(6.29)*	*(51.18)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

D PT Baramulti Suksessarana TBK (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	2,554.05	*1,887.48*
Profit for the year	551.12	*273.05*
Other Comprehensive Income/(Expense) for the year	(0.11)	*0.32*
Total Comprehensive Income for the year	**551.01**	***273.37***
Dividends received during the year	41.89	*61.05*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	71.91	*66.19*
Interest Income	4.04	*1.15*
Interest Expense	3.05	*7.33*
Income-tax Expense	187.47	*87.27*

Reconciliation of the above summarised financial information to the carrying amount of the interest in PT Baramulti Suksessarana TBK recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of PT Baramulti Suksessarana TBK	1,112.14	*714.22*	*691.53*
Proportion of the Group's ownership interest in PT Baramulti Suksessarana TBK	26.00%	*26.00%*	*26.00%*
	289.16	*185.70*	*179.80*
Goodwill	858.74	*854.01*	*874.17*
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK	**1,147.90**	***1,039.71***	***1,053.97***
Impairment of Goodwill	(241.16)	*(239.95)*	*(245.12)*
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK (net of impairment)	**906.74**	***799.76***	***808.85***

E Itezhi Tezhi Power Corporation

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	1,121.14	*1,156.27*	*1,074.09*
Current Assets	804.34	*584.59*	*277.34*
Non-current Liabilities	(1,174.12)	*(1,093.07)*	*(879.90)*
Current Liabilities	(213.72)	*(197.17)*	*(202.54)*
	537.64	***450.62***	***268.99***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	133.30	*156.35*	*195.09*
Current Financial Liabilities (excluding trade payables and provisions)	(121.13)	*(101.70)*	*(90.19)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(809.58)	*(907.21)*	*(879.90)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

E Itezhi Tezhi Power Corporation (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	384.35	*530.44*
Profit for the year	83.80	*219.67*
Other Comprehensive Income/(Expense) for the year	Nil	*Nil*
Total Comprehensive Income for the year	**83.80**	***219.67***
Dividends received during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	43.93	*11.83*
Interest Income	0.02	*0.01*
Interest Expense	61.73	*35.95*
Income-tax Expense	189.96	*157.67*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Itezhi Tezhi Power Corporation recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of Itezhi Tezhi Power Corporation	537.64	*450.62*	*268.99*
Proportion of the Group's ownership interest in Itezhi Tezhi Power Corporation	50.00%	*50.00%*	*50.00%*
	268.82	*225.31*	*134.50*
Goodwill	187.48	*187.93*	*172.90*
Carrying amount of the Group's interest in Itezhi Tezhi Power Corporation	**456.30**	***413.24***	***307.40***

F Powerlinks Transmission Limited

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	848.20	*914.53*	*983.93*
Current Assets	290.16	*265.73*	*219.86*
Non-current Liabilities	(5.10)	*(188.90)*	*(317.32)*
Current Liabilities	(270.28)	*(157.29)*	*(152.56)*
	862.98	***834.07***	***733.91***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	15.66	*0.08*	*0.29*
Current Financial Liabilities (excluding trade payables and provisions)	(165.91)	*(114.70)*	*(121.32)*
Non-current Financial Liabilities (excluding trade payables and provisions)	Nil	*(156.64)*	*(176.77)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

F Powerlinks Transmission Limited (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	161.23	*150.66*
Profit for the year	124.84	*195.78*
Other Comprehensive Income/(Expense) for the year	(0.18)	*0.14*
Total Comprehensive Income for the year	**124.66**	***195.92***
Dividends received during the year	40.58	*40.58*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	3.77	*5.88*
Interest Expense	16.92	*20.96*
Income-tax Expense	13.93	*(68.96)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Powerlinks Transmission Limited recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of Powerlinks Transmission Limited	862.98	*834.07*	*733.91*
Proportion of the Group's ownership interest in Powerlinks Transmission Limited	51.00%	*51.00%*	*51.00%*
	440.12	*425.38*	*374.29*
Goodwill	Nil	*Nil*	*Nil*
Deferred Tax Liabilities on Undistributable Profit	Nil	*(0.97)*	*(0.94)*
Carrying amount of the Group's interest in Powerlinks Transmission Limited	**440.12**	***424.41***	***373.35***

G Industrial Energy Limited

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	1,513.88	*1,587.00*	*1,668.80*
Current Assets	296.68	*288.31*	*421.99*
Non-current Liabilities	(753.95)	*(802.81)*	*(890.84)*
Current Liabilities	(304.47)	*(270.80)*	*(340.03)*
	752.14	***801.70***	***859.92***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	1.99	*9.82*	*2.72*
Current Financial Liabilities (excluding trade payables and provisions)	(242.52)	*(227.16)*	*(303.77)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(528.10)	*(643.55)*	*(787.44)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

III Details and Financial Information of Material Joint Ventures (*Contd.*)

G Industrial Energy Limited (*Contd.*)

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	372.61	*527.95*
Profit for the year	50.36	*62.28*
Other Comprehensive Income/(Expense) for the year	0.28	*(0.25)*
Total Comprehensive Income for the year	**50.64**	***62.03***
Dividends received during the year	61.61	*73.93*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	0.45	*Nil*
Interest Expense	73.84	*89.21*
Income-tax Expense	96.42	*85.82*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Industrial Energy Limited recognised in the consolidated financial statements:

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Net Assets of Industrial Energy Limited	752.14	*801.70*	*859.92*
Proportion of the Group's ownership interest in Industrial Energy Limited	74.00%	*74.00%*	*74.00%*
	556.60	*593.26*	*636.34*
Goodwill	Nil	*Nil*	*Nil*
Deferred Tax Liabilities on Undistributable Profit	Nil	*(5.02)*	*(12.53)*
Carrying amount of the Group's interest in Industrial Energy Limited	**556.60**	***588.24***	***623.81***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method (*Contd.*)

IV Details and Financial Information of Individually not Material Joint Ventures at the end of the reporting period is as follows:

Name of Joint Venture	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest and Voting Rights held by the Group		
			As at 31st March, 2018	*As at 31st March, 2017*	*As at 1st April, 2016*
PT Mitratama Perkasa ^	Infrastructure Support for Coal Business	Indonesia	28.38%	*28.38%*	*28.38%*
PT Indocoal Kaltim Resources #	Shell Company	Indonesia	30.00%	*30.00%*	*30.00%*
Candice Investments Pte. Ltd.	Investments	Singapore	30.00%	*30.00%*	*30.00%*
PT Marvel Capital Indonesia #	Infrastructure Support for Coal Business	Indonesia	30.00%	*30.00%*	*30.00%*
PT Dwikarya Prima Abadi #	Infrastructure Support for Coal Business	Indonesia	30.00%	*30.00%*	*30.00%*
PT Kalimantan Prima Power	Electricity Support Services	Indonesia	30.00%	*30.00%*	*30.00%*
Indocoal KPC Resources (Cayman) Ltd. #	Coal Trading	Cayman Island	30.00%	*30.00%*	*30.00%*
Adjaristsqali Netherlands BV	Hydro power generation	Netherlands	40.00%	*40.00%*	*40.00%*
Khoromkheti Netherlands BV #	Hydro power generation	Netherlands	40.00%	*40.00%*	*40.00%*
Cennergi Pty. Ltd.	Wind power generation	South Africa	50.00%	*50.00%*	*50.00%*
OTP Geothermal Pte. Ltd. $	Geothermal power generation	Singapore	Nil	*Nil*	*50.00%*
Resurgent Power Ventures Pte Ltd #	Investments and Services	Singapore	26.00%	*26.00%*	*Nil*
LTH Milcom Private Ltd. ^	Investments and Services	India	26.00%	*26.00%*	*Nil*
Dugar Hydro Power Ltd.	Hydro power generation	India	50.00%	*50.00%*	*50.00%*
Tubed Coal Mines Ltd. #	Coal mining and trading	India	40.00%	*40.00%*	*40.00%*
Mandakini Coal Company Ltd. #	Coal mining and trading	India	33.33%	*33.33%*	*33.33%*

Notes:

^ Classified as held for sale
$ Sold during the previous year
# Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2018.

Aggregate Summarised Financial Information of Joint Ventures that are not individually material

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
The Group's share of profit (loss) from continuing operations	(49.98)	*4.33*
The Group's share of Other Comprehensive Income	Nil	*Nil*
The Group's share of Total Comprehensive Income/(Expense)	**(49.98)**	***4.33***

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Aggregate carrying amount of the Group's interests in these Joint Ventures	1,019.88	*966.94*	*1,765.02*
Impairment of Goodwill/Investments	(435.75)	Nil	*(69.24)*
Carrying amount of the Group's interest in these Joint Ventures	**584.13**	***966.94***	***1,695.78***

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
The unrecognised share of profit of Joint Ventures for the year	*	*	*Nil*

Note:

* Denotes figures below ₹ 50,000/-.

Notes to the Consolidated Financial Statements

6 b. Investments accounted for using the Equity Method

(i) As at 31st March, 2018, the Group has in accordance with Indian Accounting Standard 36 (Ind AS 36) – "Impairment of Assets", reassessed impairment of its Mundra Ultra Mega Power Project (UMPP), shipping assets along with investments in Indonesian mining companies PT Kaltim Prima Coal (KPC) and PT Baramulti Suksessarana TBK (BSSR). All these companies constitute a single cash generating unit (Mundra CGU). The favourable movement in coal price over the period has indicated potential impairment reversal during the year.

The Group has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in Mundra CGU. Projected cash flows include cash flow projections approved by management covering 3 to 5 year period and the cash flows beyond that has been projected based on the long term forecast. Based on the impairment assessment, the Group has recognized an impairment reversal of ₹ 1,886.72 crore in the current year against the carrying value of Mundra CGU. The impairment reversal is recorded in the statement of profit and loss and disclosed as an exceptional item.

The net impact of impairment reversal of ₹ 1,886.72 crore has resulted in reversal of impairment of investments of ₹ 2,197.66 crore, impairment of property, plant and equipment of ₹ 308.18 crore and impairment of Intangible Assets of ₹ 2.76 crore.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, discount rates and exchange rates. Coal prices and energy prices used in the projections are based on projections made by reputed external experts. Discount rate represent the current market assessment of the risk specific to CGU taking in to consideration the time value of money. Discount rate used in the calculation of value in use is 11.15% for the UMPP and 11.45% for the coal mine investments (PY: 11.15% for the UMPP and 11.45% for the coal mine investments).

(ii) The Group holds investments in Adjaristsqali Netherlands B.V. (ABV) (a joint venture of the Group operating 187 MW hydro power plant in Georgia). ABV was incorporated to setup a hydro power plant in Georgia with an intent to sell power in the open market in Turkey. The continuous fall in power price in the open market in Turkey coupled with continuous devaluation of Turkish Lira indicates a potential impairment of the assets of the Georgia CGU included in Power segment.

The Group has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. Projected cash flows include cash flow projections approved by management covering 3 to 5 year period and the cash flows beyond that has been projected based on the long term forecast.

As a result of this analysis, management has recognized an impairment charge of ₹ 429.77 crore in the current year against the carrying value of investments in Adjaristsqali Netherlands B.V. The financial guarantee obligation of ₹ 97.77 crore is undertaken on behalf of ABV towards lenders of the said project. The impairment charge and financial guarantee obligation amounting to ₹ 527.54 crore is recorded in the statement of profit and loss and disclosed as an exceptional item.

Key assumptions used for value in use calculation include power prices in the open market in Turkey, demand of power in Turkey, discount rates and exchange rates. Discount rate represent the current market assessment of the risk specific to CGU taking into consideration the time value of money. The discount rate used in the calculation of value in use is 12%.

Notes to the Consolidated Financial Statements

6 c. Other Investments

	As at 31st March, 2018 Quantity	As at 31st March, 2017 Quantity	As at 1st April, 2016 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
I Investments carried at Fair Value through Other Comprehensive Income							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
HDFC Bank Ltd.	Nil	*7,500*	*7,500*	2	Nil	*1.08*	*0.80*
IDBI Bank Ltd.	Nil	*1,42,720*	*1,42,720*	10	Nil	*1.07*	*1.00*
Voltas Ltd.	2,33,420	*2,33,420*	*2,33,420*	1	14.50	*9.62*	*6.49*
Tata Consultancy Services Ltd.	383	*4,85,354*	*6,11,804*	1	0.11	*118.03*	*154.20*
Tata Teleservices (Maharashtra) Ltd.	Nil	*Nil*	*13,72,63,174*	10	Nil	*Nil*	*90.59*
Trent Ltd.	Nil	*Nil*	*3,87,714*	10	Nil	*Nil*	*61.71*
Tata Motors Ltd.	3,57,159	*3,57,159*	*3,57,159*	10	11.67	*16.63*	*13.81*
Tata Motors Ltd. - differential voting rights	51,022	*51,022*	*51,022*	10	0.94	*1.53*	*1.47*
Tata Investment Corporation Ltd.	8,57,143	*8,57,143*	*8,57,143*	2	63.05	*54.51*	*40.48*
					90.27	*202.47*	*370.55*
(b) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Tata Industries Ltd.	68,28,669	*68,28,669*	*68,28,669*	100	115.47	*115.47*	*115.47*
Tata Sons Ltd.	6,673	*6,673*	*6,673*	1,000	194.70	*194.70*	*194.70*
Haldia Petrochemicals Ltd.	2,24,99,999	*2,24,99,999*	*2,24,99,999*	10	56.48	*56.48*	*56.48*
Tata Teleservices Ltd. (Refer Note 5 below)	44,66,20,590	*32,83,97,823*	*32,83,97,823*	10	Nil	*384.88*	*509.34*
Tata International Ltd .	24,000	*24,000*	*24,000*	1,000	18.77	*18.77*	*18.77*
Tata Services Ltd.	1,664	*1,664*	*1,664*	1,000	Nil	*Nil*	*Nil*
Taj Air Ltd.	79,00,760	*79,00,760*	*79,00,760*	10	Nil	*Nil*	*7.90*
Tata Capital Ltd.	23,33,070	*23,33,070*	*23,33,070*	10	11.66	*7.79*	*7.23*
Indian Energy Exchange Ltd.	Nil	*Nil*	*12,50,000*	10	Nil	*Nil*	*98.04*
					397.08	*778.09*	*1,007.93*
					487.35	*980.56*	*1,378.48*
II Investments carried at Fair Value through Profit or Loss							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
Geodynamics Ltd.	2,94,00,000	*2,94,00,000*	*2,94,00,000*	AUD 1.50	2.12	*1.60*	*3.88*
(b) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Power Exchange India Limited	25,00,000	*25,00,000*	*25,00,000*	10	Nil	*Nil*	*Nil*
Exergen Pty. Ltd.	4,37,904	*4,37,904*	*4,37,904*	AUD 20.53	Nil	*Nil*	*Nil*
Sunengy Pte. Ltd.	3,04,838	*3,04,838*	*3,04,838*	AUD 2.10	Nil	*Nil*	*Nil*
Technopolis Knowledge Park Ltd.	18,10,000	*18,10,000*	*18,10,000*	10	Nil	*Nil*	*Nil*
Zoroastrian Co-operative Bank Limited.	6,000	*6,000*	*6,000*	25	0.15	*0.14*	*0.15*
					2.27	*1.74*	*4.03*
Carried over					489.62	*982.30*	*1,382.51*

Notes to the Consolidated Financial Statements

6 c. Other Investments *(Contd.)*

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Brught forward..........					489.62	*982.30*	*1,382.51*
III Investments carried at Amortised Cost							
(a) Statutory Investments							
(i) Contingencies Reserve Fund Investments							
Government Securities (Unquoted)							
7.88% GOI (2030)	10,00,000	*10,00,000*	*10,00,000*	100	10.00	*10.00*	*10.00*
6.79% GOI (2029)	10,00,000	*10,00,000*	*Nil*	100	9.59	*9.59*	*Nil*
8.28% GOI (2027)	11,30,000	*11,30,000*	*11,30,000*	100	11.30	*11.30*	*11.30*
8.24% GOI (2027)	9,65,000	*9,65,000*	*9,65,000*	100	9.65	*9.65*	*9.65*
8.33% GOI (2026)	7,50,000	*7,50,000*	*7,50,000*	100	7.50	*7.50*	*7.50*
7.16% GOI (2023)	24,00,000	*9,00,000*	*9,00,000*	100	24.00	*9.00*	*9.00*
6.17% GOI (2023)	14,60,000	*Nil*	*Nil*	100	14.56	*Nil*	*Nil*
6.84% GOI (2022)	66,000	*66,000*	*Nil*	100	0.67	*0.67*	*Nil*
8.19% GOI (2020)	7,03,000	*7,03,000*	*7,03,000*	100	7.03	*7.03*	*7.03*
6.35% GOI (2020)	17,35,000	*16,01,300*	*16,01,300*	100	17.44	*16.01*	*16.01*
7.83% GOI (2018)	Nil	*10,00,000*	*10,00,000*	100	Nil	*10.00*	*10.00*
7.99% GOI (2017)	Nil	*Nil*	*8,48,700*	100	Nil	*Nil*	*8.49*
7.49% GOI (2017)	Nil	*Nil*	*7,36,000*	100	Nil	*Nil*	*7.36*
					111.74	*90.75*	*96.34*
(ii) Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
8.28% GOI (2027)	61,45,000	*61,45,000*	*61,45,000*	100	61.45	*61.45*	*61.45*
8.20% GOI (2025)	20,00,000	*20,00,000*	*20,00,000*	100	20.00	*20.00*	*20.00*
7.35% GOI (2024)	31,00,000	*31,00,000*	*31,00,000*	100	31.00	*31.00*	*31.00*
8.15% GOI (2022)	29,75,000	*29,75,000*	*29,75,000*	100	29.75	*29.75*	*29.75*
8.19% GOI (2020)	19,40,000	*19,40,000*	*19,40,000*	100	19.40	*19.40*	*19.40*
6.35% GOI (2020)	76,15,000	*2,48,700*	*2,48,700*	100	76.15	*2.49*	*2.49*
6.05% GOI (2019)	42,00,000	*42,00,000*	*42,00,000*	100	42.00	*42.00*	*42.00*
6.25% GOI (2018)	Nil	*Nil*	*15,00,000*	100	Nil	*Nil*	*15.00*
7.99% GOI (2017)	Nil	*Nil*	*33,49,300*	100	Nil	*Nil*	*33.49*
7.49% GOI (2017)	Nil	*Nil*	*25,00,000*	100	Nil	*Nil*	*25.00*
					279.75	*206.09*	*279.58*
					391.49	*296.84*	*375.92*
Total					**881.11**	***1,279.14***	***1,758.43***

Notes:

1. Aggregate Market Value of Quoted Investments	92.39	*204.07*	*374.43*
2. Aggregate Carrying Value of Quoted Investments	92.39	*204.07*	*374.43*
3. Aggregate Carrying Value of Unquoted Investments	788.72	*1,075.07*	*1,384.00*

4. The Group holds equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through Other Comprehensive Income. The Group had also written put options on equity shares of TTSL which have been exercised by the holder and the shares have been acquired during the year ended 31st March, 2018. The changes in the fair value of these put options are recognized in the Statement of Profit and Loss. During the year ended 31st March, 2018, the Group recognized a fair value adjustment of ₹ 384.88 crore *(31st March, 2017 - ₹ 114.46 crore)* through Other Comprehensive Income and ₹ 107.08 crore *(31st March, 2017 - ₹ 651.45 crore)* as an exceptional expense in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

7. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Trade Receivables			
Considered good	190.05	187.92	190.00
Considered doubtful	6.24	6.24	6.24
	196.29	194.16	196.24
Less: Allowance for Doubtful Trade Receivables	6.24	6.24	6.24
Total	**190.05**	**187.92**	**190.00**
Current Trade Receivables			
Considered good	2,788.93	3,832.12	3,540.24
Considered doubtful	323.23	310.58	264.86
	3,112.16	4,142.70	3,805.10
Less: Allowance for Doubtful Trade Receivables	323.23	310.58	264.86
Total	**2,788.93**	**3,832.12**	**3,540.24**

Note:
The Group holds security deposits of ₹ 271.32 crore (*31st March, 2017 - ₹ 250.53 crore, 1st April, 2016 - ₹ 246.44 crore*) from consumers.

7.1 Trade Receivables

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is not calculated on non current trade receiveable since it is a disputed case. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing of Receivables	**Expected Credit loss (%)** As at 31st March, 2018
Within the credit period	0.09%
1-90 days past due	1.00%
91-182 days past due	2.56%
More than 182 days past due	9.00%

Age of receivables

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Within the credit period	958.58	1,972.76	2,144.88
1-90 days past due	793.96	807.88	682.02
91-182 days past due	263.97	731.28	456.22
More than 182 days past due	1,291.94	824.94	718.22

Movement in the allowance for doubtful trade receivables

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore
Balance at the begining of the year	316.82	271.10
Add: Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	38.94	23.18
Add/(Less): Specific allowance on trade receivables for the year	(16.63)	22.54
Less: Transferred to Assets held for sale	(9.66)	Nil
Balance at the end of the year	**329.47**	**316.82**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with adequate security deposit.

Notes to the Consolidated Financial Statements

8. Loans

(Unsecured unless otherwise stated)

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
Loans to Related Parties - Joint Ventures			
Considered good	69.72	*69.64*	*382.63*
Considered doubtful	1.36	*1.27*	*1.27*
	71.08	*70.91*	*383.90*
Less: Allowances for Doubtful Loans	1.36	*1.27*	*1.27*
	69.72	*69.64*	*382.63*
Other Loans			
Loans to Employees	6.76	*7.52*	*7.74*
Total	**76.48**	***77.16***	***390.37***
Current			
Considered good			
Loans to Related Parties - Joint Ventures	719.33	*654.68*	*410.04*
Loans to Employees	1.34	*0.76*	*0.23*
Total	**720.67**	***655.44***	***410.27***

9. Finance Lease Receivable

(Unsecured unless otherwise stated)

Accounting Policy

Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Finance Lease Receivable - Non-current	574.76	*573.47*	*617.63*
Finance Lease Receivable - Current	34.27	*39.16*	*48.80*
Total	**609.03**	**612.63**	**666.43**

Notes to the Consolidated Financial Statements

9. Finance Lease Receivable *(Contd.)*

9.1 Leasing Arrangements

The Group has entered into Power Purchase Agreements (PPA) with a customer for its assets located at Jojobera. The assets relate to 30 years of take or pay agreements with the customer to supply electricity at a fixed plus variable charge. The customer, during the term of the PPAs has a right to purchase the assets and at the end of the contract is obligated to purchase same on the basis of the valuation determined under the PPAs. This arrangement is an embedded finance lease.

9.2 Amount receivable under Finance Lease

	Minimum Lease Payments			Present value of mimimum lease payments		
	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Not later than one year	107.94	*107.58*	*138.42*	23.74	*23.37*	*48.73*
Later than one year and not later than five years	520.65	*504.71*	*512.42*	158.43	*133.47*	*123.14*
Later than five years	713.51	*795.49*	*900.42*	426.86	*455.79*	*494.56*
	1,342.10	***1,407.78***	***1,551.26***	**609.03**	**612.63**	***666.43***
Unearned finance income	733.07	*795.15*	*884.83*	Nil	*Nil*	*Nil*
Present value of mimimum lease payments receivable	**609.03**	***612.63***	***666.43***	**609.03**	***612.63***	***666.43***
Allowance for uncollectible lease payments	Nil	*Nil*	*Nil*	Nil	*Nil*	*Nil*
Total	**609.03**	***612.63***	***666.43***	**609.03**	***612.63***	666.43

The interest rate inherent in the leases is fixed at the contract for the entire lease term. The average effective interest rate contracted is approximately in the range of 12.62% - 16.34% per annum (as at 31st March, 2017: 12.76% - 16.34% per annum, as at 1st April 2016: 12.76% - 16.34% per annum).

10. Other Financial Assets

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
(i) Security Deposits			
Unsecured, considered good	55.25	*60.16*	*57.66*
Doubtful	29.92	*32.81*	*30.31*
	85.17	*92.97*	*87.97*
Less: Allowance for Doubtful Deposits	29.92	*32.81*	*30.31*
	55.25	*60.16*	*57.66*
(ii) Receivables under Service Concession Agreement	202.18	*203.94*	*Nil*
(iii) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	675.98	*771.09*	*879.75*
Advance towards Equity	0.65	*9.03*	*Nil*
Government Grants Receivables	8.03	*Nil*	*Nil*
Other Advances (Refer Note 6c)	Nil	*139.46*	*Nil*
	684.66	*919.58*	*879.75*
Total	**942.09**	***1,183.68***	***937.41***

Notes to the Consolidated Financial Statements

10. Other Financial Assets *(Contd.)*

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Inter-corporate/Bank Deposits	0.86	2.35	5.07
Interest Accrued on Investments	6.65	5.09	6.20
Interest Accrued on Finance Lease Receivable	7.15	11.73	12.08
Interest Accrued on Loans to Related Parties	14.63	11.98	8.63
	29.29	31.15	31.98
(ii) Security Deposits			
Unsecured, considered good	64.13	22.13	16.05
Doubtful	4.23	2.93	1.37
	68.36	25.06	17.42
Less: Allowance for Doubtful Deposits	4.23	2.93	1.37
	64.13	22.13	16.05
(iii) Inter-corporate Deposits			
Unsecured, considered good	Nil	Nil	44.00
(iv) Receivables under Service Concession Agreement	4.18	4.48	Nil
(v) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	634.65	710.04	196.99
Dividend Receivable	35.81	Nil	8.64
Derivative Contracts	111.59	37.97	92.71
Receivable on sale of Current Investments	0.01	Nil	1.26
Receivable on sale of Fixed Assets	1.02	2.23	0.53
Insurance Claims Receivable	6.47	21.15	36.40
Government Grants Receivables	40.25	Nil	Nil
Other Advances	172.97	84.25	82.93
	1,002.77	855.64	419.46
Total	**1,100.37**	**913.40**	**511.49**

11. Tax Assets

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Tax Assets			
Advance Income-tax (Net)	167.59	146.35	110.61
Total	**167.59**	**146.35**	**110.61**
Current Tax Assets			
Advance Income-tax (Net)	14.77	31.68	3.00
Total	**14.77**	**31.68**	**3.00**

Notes to the Consolidated Financial Statements

12. Deferred Tax

Accounting Policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

a. Deferred Tax Assets

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Deferred Tax Assets	4,089.26	*5,133.67*	*3,795.64*
Deferred Tax Liabilities	4,006.02	*5,042.14*	*3,792.44*
Total - Net Deferred Tax Assets	**83.24**	***91.53***	***3.20***

Notes to the Consolidated Financial Statements

12. Deferred Tax *(Contd.)*

a. Deferred Tax Assets *(Contd.)*

₹ crore

2017-18	Opening Balance	Acquired during the year	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Recognised directly in Equity	Closing Balance
Deferred Tax Assets in relation to:						
Allowance for Doubtful Debts, Deposits and Advances	77.79	Nil	(24.70)	Nil	Nil	**53.09**
Provision for Employee Benefits, Entry Tax and Others	29.07	Nil	(19.62)	1.53	Nil	**10.98**
Unabsorbed Depreciation	3,993.62	Nil	(414.70)	Nil	Nil	**3,578.92**
Measuring of Derivative Financial Instruments at Fair Value	268.21	Nil	(119.14)	Nil	Nil	**149.07**
Carry Forward Losses	39.85	Nil	155.62	Nil	Nil	**195.47**
MAT credit entitlement	707.54	Nil	(605.81)	Nil	Nil	**101.73**
Others	17.59	Nil	(17.59)	Nil	Nil	**Nil**
	5,133.67	**Nil**	**(1,045.94)**	**1.53**	**Nil**	**4,089.26**
Deferred Tax Liabilities in relation to:						
Property, Plant and Equipment	5,037.54	Nil	(1,052.32)	1.53	Nil	**3,986.75**
Others	4.60	Nil	14.67	Nil	Nil	**19.27**
	5,042.14	**Nil**	**(1,037.65)**	**1.53**	**Nil**	**4,006.02**
Net Deferred Tax Assets	**91.53**	**Nil**	**(8.29)**	**Nil**	**Nil**	**83.24**

₹ crore

2016-17	Opening Balance	Acquired during the year	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Recognised directly in Equity	Closing Balance
Deferred Tax Assets in relation to:						
Allowance for Doubtful Debts, Deposits and Advances	*47.36*	*Nil*	*30.43*	*Nil*	*Nil*	***77.79***
Provision for Employee Benefits, Entry Tax and Others	*9.97*	*Nil*	*19.10*	*Nil*	*Nil*	***29.07***
Unabsorbed Depreciation	*3,700.72*	*25.91*	*266.99*	*Nil*	*Nil*	***3,993.62***
Measuring of Derivative Financial Instruments at Fair Value	*27.68*	*Nil*	*240.53*	*Nil*	*Nil*	***268.21***
Carry Forward Losses	*Nil*	*36.13*	*3.72*	*Nil*	*Nil*	***39.85***
MAT credit entitlement	*Nil*	*Nil*	*707.54*	*Nil*	*Nil*	***707.54***
Others	*9.91*	*Nil*	*7.68*	*Nil*	*Nil*	***17.59***
	3,795.64	***62.04***	***1,275.99***	***Nil***	***Nil***	***5,133.67***
Deferred Tax Liabilities in relation to:						
Property, Plant and Equipment	*3,764.11*	*25.22*	*1,248.21*	*Nil*	*Nil*	***5,037.54***
Others	*28.33*	*0.02*	*(23.75)*	*Nil*	*Nil*	***4.60***
	3,792.44	***25.24***	***1,224.46***	***Nil***	***Nil***	***5,042.14***
Net Deferred Tax Assets	***3.20***	***36.80***	***51.53***	***Nil***	***Nil***	***91.53***

Notes to the Consolidated Financial Statements

12. Deferred Tax *(Contd.)*

b. Deferred Tax Liabilities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Deferred Tax Assets	2,402.03	*89.59*	*137.12*
Deferred Tax Liabilities	2,918.59	*1,840.73*	*2,233.98*
Total - Net Deferred Tax Liabilities	**516.56**	***1,751.14***	***2,096.86***

₹ crore

2017-18	**Opening Balance**	**Acquired during the year**	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Recognised directly in Equity**	**Closing Balance**
Deferred tax assets in relation to:						
Allowance for Doubtful Debts, Deposits and Advances	29.75	Nil	23.27	Nil	Nil	**53.02**
Provision for Employee Benefits, Entry Tax and Others	57.75	Nil	23.76	(0.28)	Nil	**81.23**
Unabsorbed Depreciation	Nil	Nil	244.74	Nil	Nil	**244.74**
Carry Forward Losses	Nil	Nil	4.34	Nil	Nil	**4.34**
On asset held for sale (refer Note i. below)	Nil	Nil	387.40	370.00	Nil	**757.40**
MAT credit entitlement	2.09	Nil	1,239.53	Nil	Nil	**1,241.62**
Government Grant	Nil	Nil	17.73	Nil	Nil	**17.73**
Others	Nil	Nil	1.79	0.16	Nil	**1.95**
	89.59	**Nil**	**1,942.56**	**369.88**	**Nil**	**2,402.03**
Deferred tax liabilities in relation to:						
Finance Leases	144.48	Nil	(0.05)	Nil	Nil	**144.43**
Property, Plant and Equipment (Refer Note below)	1,405.58	Nil	1,115.61	Nil	Nil	**2,521.19**
Investments at Fair Value	26.03	Nil	(3.80)	(21.99)	Nil	**0.24**
Distribution on Perpetual Bonds	24.66	Nil	Nil	Nil	0.24	**24.90**
Borrowings	5.04	Nil	5.36	Nil	Nil	**10.40**
Undistributed Profits of subsidiaries	5.47	Nil	(1.13)	Nil	Nil	**4.34**
Revaluation on Consolidation	229.47	Nil	(16.38)	Nil	Nil	**213.09**
	1,840.73	**Nil**	**1,099.61**	**(21.99)**	**0.24**	**2,918.59**
Net Deferred Tax Liabilities	**1,751.14**	**Nil**	**(842.95)**	**(391.87)**	**0.24**	**516.56**

₹ crore

2016-17	**Opening Balance**	**Acquired during the year**	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Recognised directly in Equity**	**Closing Balance**
Deferred Tax Assets in relation to:						
Allowance for Doubtful Debts, Deposits and Advances	*40.47*	*Nil*	*(10.72)*	*Nil*	*Nil*	***29.75***
Provision for Employee Benefits, Entry Tax and Others	*90.52*	*Nil*	*(37.13)*	*4.36*	*Nil*	***57.75***
MAT credit entitlement	*4.48*	*Nil*	*(2.39)*	*Nil*	*Nil*	***2.09***
Others	*1.65*	*Nil*	*(1.65)*	*Nil*	*Nil*	***Nil***
	137.12	***Nil***	***(51.89)***	***4.36***	***Nil***	***89.59***

Notes to the Consolidated Financial Statements

12. Deferred Tax *(Contd.)*

b. Deferred Tax Liabilities *(Contd.)*

₹ crore

2016-17	Opening Balance	Acquired during the year	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Recognised directly in Equity	Closing Balance
Deferred Tax Liabilities in relation to:						
Finance Leases	*142.21*	*Nil*	*2.27*	*Nil*	*Nil*	***144.48***
Property, Plant and Equipments (Refer Note Below)	*2,021.23*	*26.14*	*(641.79)*	*Nil*	*Nil*	***1,405.58***
Investments at Fair Value	*23.43*	*Nil*	*2.72*	*(0.12)*	*Nil*	***26.03***
Distribution on Perpetual Bonds	*24.20*	*Nil*	*Nil*	*Nil*	*0.46*	***24.66***
Borrowings	*6.20*	*Nil*	*(1.16)*	*Nil*	*Nil*	***5.04***
Undistributed Profits of subsidiaries	*16.71*	*Nil*	*(11.24)*	*Nil*	*Nil*	***5.47***
Revaluation on Consolidation	*Nil*	*235.82*	*(6.35)*	*Nil*	*Nil*	***229.47***
	2,233.98	***261.96***	***(655.55)***	***(0.12)***	***0.46***	***1,840.73***
Net Deferred Tax Liabilities	***2,096.86***	***261.96***	***(603.66)***	***(4.48)***	***0.46***	***1,751.14***

Notes:

i. During the year ended 31st March, 2018, the Group has approved/decided to dispose off certain investment/assets. Accordingly, after assessing the recoverability, the Company has recognized deferred tax asset on indexation benefit available and provision for diminution recognized during the year and in the earlier years on investments classified as held for sale amounting to ₹ 387.40 crore in the statement of profit and loss and ₹ 370.00 crore in Other Comprehensive Income.

ii. During the year ended 31st March, 2018, the Group has created Deferred Tax Asset of ₹ 517.51 crore for Minimum Alternate Tax (MAT) credit and correspondingly is passed on to Consumers and reflected as Deferred Tax (Recoverable)/ Payable in the statement of Profit and Loss.

iii. Considering the uncertainty over the realisability, the Group has not recognized deferred tax asset to the extent of ₹ 289.53 crore on provision for diminution in value of investments classified as held for sale. Further, the Company has not recognized deferred tax assets on unused tax credit of ₹ 125.92 crore as it is not expecting to utilise the same in near future based on the projections made by the Company.

iv. Unused tax losses /unused tax credit for which no deferred tax assets is recognised amount to ₹ 4,995.46 crore and ₹ 3,745.05 crore as at 31st March, 2018 and 31st March, 2017 respectively. The unused tax losses expire as detailed below :

₹ crore

As at 31st March, 2018 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	Nil	516.00	404.58	Nil	920.58
Unabsorbed depreciation	Nil	Nil	Nil	3,498.30	3,498.30
Unutilised MAT credit	Nil	8.01	279.04	Nil	287.05
Provision for diminution in the value of investment classified as held for sale	Nil	Nil	289.53	Nil	289.53
Total	**Nil**	**524.01**	**973.15**	**3,498.30**	**4,995.46**

₹ crore

As at 31st March, 2017 Unrecognised deferred tax assets	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	*Nil*	*516.00*	*156.45*	Nil	*672.45*
Unabsorbed depreciation	*Nil*	Nil	Nil	*2,951.05*	*2,951.05*
Unutilised MAT credit	*Nil*	*3.34*	*118.21*	Nil	*121.55*
Total	***Nil***	***519.34***	***274.66***	***2,951.05***	***3,745.05***

Notes to the Consolidated Financial Statements

12. Deferred Tax *(Contd.)*

v. The Group has not recognised any deferred tax liabilities for taxes amounting to ₹ 1,400.97 crore and ₹ 1,202.62 crore that would be payable on the Group's share in unremitted earnings of its subsidiaries and its interest in joint ventures because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the forseeable future .

Reconciliation of Deferred Tax Expense amount recognised in profit or loss and Other Comprehensive Income

	Recognised in Profit or Loss		Recognised in Other Comprehensive Income		Recognised directly in Equity	
	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Deferred Tax Assets (Net) - (Refer Note 12a.)						
Net (increase)/decrease in Deferred Tax Assets...	8.29	*(51.53)*	Nil	*Nil*	Nil	*Nil*
Deferred Tax Liabilities (Net) - (Refer Note 12b.)						
Net increase/(decrease) in Deferred Tax Liabilities .	(842.95)	*(603.66)*	(391.87)	*(4.48)*	0.24	*0.46*
Deferred Tax Liabilities (Net) - Discontinued Operations (Refer Note 33)						
Net increase/(decrease) in Deferred Tax Liabilities .	3.23	*9.69*	Nil	*Nil*	Nil	*Nil*
Deferred Tax Expense (Net)....................................	**(837.89)**	***(664.88)***	**(391.87)**	***(4.48)***	**0.24**	***0.46***

13. Other Assets

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
(i) Capital Advances			
Unsecured, considered good	49.50	*121.04*	*363.07*
Doubtful	0.12	*0.21*	*0.24*
	49.62	*121.25*	*363.31*
Less: Allowances for Doubtful Advances.....................	0.12	*0.21*	*0.24*
	49.50	*121.04*	*363.07*
(ii) Security Deposits			
Unsecured, considered good	228.66	*228.77*	*229.82*
(iii) Balances with Government Authorities			
Unsecured, considered good			
Advances	165.35	*143.58*	*116.15*
Amount Paid Under Protest	68.67	*217.41*	*217.38*
VAT/Sales Tax Receivable..	62.70	*82.72*	*112.43*
	296.72	*443.71*	*445.96*
(iv) Unamortised Premium for Leasehold Land			
Unsecured, considered good	309.47	*439.47*	*439.97*
(v) Deferred Rent Expense			
Unsecured, considered good	11.75	*9.51*	*9.65*
(vi) Others			
Unsecured, considered good			
Prepaid Expenses..	4.90	*11.44*	*17.54*
Others	0.33	*33.30*	*25.27*
Doubtful	0.96	*2.22*	*2.15*
	6.19	*46.96*	*44.96*
Less: Allowances for Doubtful Advances.....................	0.96	*2.22*	*2.15*
	5.23	*44.74*	*42.81*
Total	**901.33**	***1,287.24***	***1,531.28***

Notes to the Consolidated Financial Statements

13. Other Assets *(Contd.)*

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Current			
(i) Balances with Government Authorities			
Unsecured, considered good			
Advances	90.13	*31.19*	*84.62*
VAT/Sales Tax Receivable	6.60	*34.90*	*0.16*
	96.73	*66.09*	*84.78*
(ii) Unamortised Premium for Leasehold Land			
Unsecured, considered good	9.69	*20.94*	*19.22*
(iii) Others			
Unsecured, considered good			
Prepaid Expenses	87.10	*76.56*	*62.53*
Unamortised Option Premium	0.09	*Nil*	*Nil*
Advances to Vendors	358.34	*283.14*	*231.99*
Deferred Rent Expense	0.24	*0.14*	*0.14*
Power Banking Receivable	302.64	*116.74*	*470.36*
Other Advances	17.04	*16.55*	*63.85*
Others	5.80	*2.81*	*0.15*
Doubtful	1.08	*1.57*	*1.95*
	772.33	*497.51*	*830.97*
Less: Allowances for Doubtful Advances	1.08	*1.57*	*1.95*
	771.25	*495.94*	*829.02*
Total	**877.67**	***582.97***	***933.02***

14. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

  Costs of inventories are determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. [Unserviceable/damaged stores and spares are identified and written down based on technical evaluation].

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Inventories (lower of cost and net realisable value)			
(a) Raw Materials			
Fuel - Stores	780.24	*575.00*	*508.03*
Fuel-in-Transit	216.67	*260.64*	*180.24*
Others	133.05	*158.76*	*139.69*
(b) Work-In-Progress	6.36	*29.71*	*16.77*
(c) Finished goods	103.35	*110.13*	*88.76*
(d) Stores and Spares			
Stores and Spare Parts	281.89	*382.96*	*361.69*
Stores-in-Transit	Nil	*4.44*	*15.18*
(e) Loose Tools	1.02	*1.22*	*0.66*
(f) Others			
Property under Development	100.50	*76.70*	*62.38*
Total	**1,623.08**	**1,599.56**	**1,373.40**

During the year ended 31st March, 2018 the Group has recognised ₹ 46.91 crore (*31st March, 2017 - ₹ 62.74 crore, 1st April, 2016 - ₹ Nil crore*) as an expense for inventories carried at net realisable value.

Notes to the Consolidated Financial Statements

15. Current Investments

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
I Investment carried at Amortised Cost							
(i) Statutory Investments							
Contingency Reserve Fund Investments							
Government Securities (Unquoted)							
7.83% GOI (2018)	10,00,000	*Nil*	*Nil*	100	10.00	*Nil*	*Nil*
7.49% GOI (2017)	Nil	*7,36,000*	*Nil*	100	Nil	*7.36*	*Nil*
7.99% GOI (2017)	Nil	*8,48,700*	*Nil*	100	Nil	*8.49*	*Nil*
7.59% GOI (2016)	Nil	*Nil*	*19,000*	100	Nil	*Nil*	*0.19*
					10.00	*15.85*	*0.19*
Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
6.25% GOI (2018)	Nil	*15,00,000*	*Nil*	100	Nil	*15.00*	*Nil*
7.49% GOI (2017)	Nil	*25,00,000*	*Nil*	100	Nil	*25.00*	*Nil*
7.99% GOI (2017)	Nil	*33,49,300*	*Nil*	100	Nil	*33.49*	*Nil*
					Nil	*73.49*	*Nil*
(ii) Other Investments							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*Nil*	*3,000*	100	Nil	*Nil*	*0.03*
					10.00	*89.34*	*0.22*
II Investments carried at Fair Value through Profit and Loss							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated) (Quoted)							
Cairn India Limited	Nil	*4,760*	*4,760*	10	Nil	*0.15*	*0.07*
Coal India Limited	Nil	*18,003*	*18,003*	10	Nil	*0.53*	*0.53*
Infosys Technologies Limited	Nil	*12,784*	*3,584*	5	Nil	*1.31*	*0.44*
NTPC Limited	Nil	*2,49,852*	*2,49,852*	10	Nil	*4.15*	*3.22*
Oil & Natural Gas Corporation Limited	Nil	*1,08,300*	*72,200*	5	Nil	*2.00*	*1.55*
Reliance Industries Limited	Nil	*20,900*	*20,900*	10	Nil	*2.76*	*2.18*
State Bank of India	Nil	*2,57,000*	*2,57,000*	1	Nil	*7.53*	*4.99*
National Hydroelectric Power Corporation Limited	Nil	*10,248*	*10,248*	10	Nil	*0.03*	*0.02*
NMDC Limited	Nil	*1,66,660*	*1,66,660*	1	Nil	*2.22*	*1.63*
Axis Bank Limited	Nil	*34,150*	*34,150*	2	Nil	*1.68*	*1.52*
Bajaj Auto Limited	Nil	*1,150*	*1,150*	10	Nil	*0.32*	*0.28*
Cipla Limited	Nil	*3,750*	*3,750*	2	Nil	*0.22*	*0.19*
Hindalco Industries Limited	Nil	*68,000*	*68,000*	1	Nil	*1.33*	*0.60*
Infrastructure Development Finance Company Limited	Nil	*38,500*	*38,500*	10	Nil	*0.21*	*0.16*
IDFC Bank Limited	Nil	*38,500*	*38,500*	10	Nil	*0.23*	*0.19*
Larsen & Toubro Limited	Nil	*6,300*	*6,300*	2	Nil	*0.99*	*0.77*
Mahindra & Mahindra Limited	Nil	*11,800*	*11,800*	5	Nil	*1.52*	*1.43*
Sun Pharmaceuticals Limited	Nil	*9,800*	*9,800*	1	Nil	*0.67*	*0.80*
Bharat Forge Limited	Nil	*6,500*	*6,500*	2	Nil	*0.68*	*0.57*
ICICI Bank Limited	Nil	*14,000*	*14,000*	2	Nil	*0.39*	*0.33*
ITC Limited	Nil	*12,000*	*8,000*	1	Nil	*0.34*	*0.26*
Thermax Limited	Nil	*6,000*	*6,000*	2	Nil	*0.59*	*0.46*
HDFC Bank Limited	Nil	*17,300*	*17,300*	2	Nil	*2.50*	*1.85*
Elcot Power Controls Limited	Nil	*1,000*	*1,000*	10	Nil	*	*
					Nil	*32.35*	*24.04*
(b) Investment in Debentures or Bonds (Quoted)							
8.49% Non Convertible Debentures- NTPC Limited	Nil	*2,49,852*	*2,49,852*	12.50	Nil	*0.31*	*0.31*
Sub-total I + II (a) + II (b)					Nil	*32.66*	*24.35*
Carried Over					10.00	*122.00*	*24.57*

Notes to the Consolidated Financial Statements

15. Current Investments *(Contd.)*

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 31st March, 2016 ₹ crore*
Brought forward					10.00	122.00	24.57
II Investments carried at Fair Value through Profit and Loss							
(c) Investment in Mutual Funds (Unquoted)							
Axis Liquid Fund - Direct Growth - CFDG	Nil	*Nil*	*6,550*		Nil	Nil	*1.10*
Axis Liquid Fund - Growth	Nil	*Nil*	*43,826*		Nil	Nil	*7.35*
Axis Liquid Fund - Direct - Growth	5,07,033	*4,14,090*	*Nil*		97.75	74.68	*Nil*
Axis Treasury Advantage Fund - Direct Growth	Nil	*1,28,437*	*Nil*		Nil	23.71	*Nil*
Baroda Pioneer Liquid Fund - Plan B - Direct	Nil	*88,860*	*Nil*		Nil	16.62	*Nil*
Birla Sun Life Cash Plus - Growth - Direct Plan	Nil	*23,08,818*	*Nil*		Nil	60.33	*Nil*
BSL - CashPlus - Growth - Indusind	Nil	*18,11,486*	*Nil*		Nil	47.34	*Nil*
DHFL Pramerica Insta Cash Plus - Direct - Growth	Nil	*Nil*	*2,46,433*		Nil	Nil	*4.85*
DSP Blackrock Liquidity Fund - IP - Growth	Nil	*Nil*	*42,926*		Nil	Nil	*9.28*
DSP Blackrock Liquidity Fund - Direct - Growth	1,72,454	*1,27,503*	*Nil*		42.56	29.66	*Nil*
DSP BlackRock Low Duration Fund - Direct Plan - Growth	33,60,210	*Nil*	*Nil*		4.28	Nil	Nil
DSP Blackrock Ultra Short Term Fund Direct Plan -Growth	Nil	*20,50,354*	*Nil*		Nil	2.44	*Nil*
HDFC Cash Mangement Plan Fund - Growth	Nil	*Nil*	*71,657*		Nil	Nil	*22.74*
ICICI Prudential - Growth	Nil	*Nil*	*10,23,387*		Nil	Nil	*22.83*
Invesco India Credit Opportunities Fund - Direct Plan Growth	29,371	*Nil*	*Nil*		5.91	Nil	Nil
Invesco India Ultra Short Term - Direct - Growth	8,737	*Nil*	*Nil*		2.14	Nil	Nil
Invesco India Liquid Fund - Direct Plan - Growth	3,75,763	*4,86,627*	*Nil*		89.87	108.96	*Nil*
ICICI Prudential Liquid Direct Plan - Growth	11,08,652	*6,23,445*	*Nil*		28.51	15.02	*Nil*
ICICI Prudential Liquid Regular Growth	Nil	*Nil*	*18,73,923*		Nil	Nil	*40.03*
ICICI-Pru-Saving Fund - Growth	Nil	*8,68,213*	*Nil*		Nil	21.86	*Nil*
JM High Liquidity Fund - Direct Growth Option	1,14,536	*3,43,28,651*	*Nil*		0.55	152.82	*Nil*
JM High Liquidity - Growth	18,96,938	*Nil*	*34,52,312*		9.33	Nil	*14.27*
Kotak Liquid Direct Growth	91	*Nil*	*Nil*		0.03	Nil	Nil
Kotak Liquid - Growth	Nil	*Nil*	*780*		Nil	Nil	*0.29*
LIC MF Liquid Fund - Direct - Growth Plan - LICLF	80,924	*9,210*	*Nil*		25.50	2.72	*Nil*
LIC Nomura Liquidity Fund - Growth	Nil	*Nil*	*23,981*		Nil	Nil	*6.57*
L&T Liquid Fund - Direct - Growth	750	*Nil*	*Nil*		0.18	Nil	Nil
Religare Invesco Liquid Fund - Direct Plan - Growth	Nil	*3,17,906*	*Nil*		Nil	71.17	*Nil*
Religare Invesco Liquid Fund - Growth	Nil	*Nil*	*1,86,787*		Nil	Nil	*38.87*
SBI mutual Fund(Premier Liquid fund -Regular Plan - growth)	18,443	*Nil*	*Nil*		5.00	Nil	Nil
SBI Premier Liquid Fund - Growth	Nil	*Nil*	*95,324*		Nil	Nil	*22.69*
SBI Premier Liquid Fund- Direct Plan - Growth	Nil	*5,44,947*	*Nil*		Nil	139.09	*Nil*
Sundaram Money Fund - Direct	Nil	*1,60,64,421*	*Nil*		Nil	55.09	*Nil*
Tata Floater - Direct Plan Growth	Nil	*1,83,598*	*Nil*		Nil	45.56	*Nil*
Tata Money Market Fund - Direct Plan - Growth	90,371	*1,89,145*	*Nil*		24.75	48.48	*Nil*
Tata Money Market Fund- Growth	Nil	*Nil*	*94,974*		Nil	Nil	*22.68*
Tata Liquid Super High Investment Fund - Growth	1,41,084	*61,954*	1,27,601		45.20	18.57	*35.67*
Tata Liquid Fund Direct Plan - Daily Dividend	Nil	*8,264*	72,869		Nil	0.92	*8.12*
Tata Liquid Fund Plan A - Daily Dividend	Nil	*1,40,249*	1,37,151		Nil	40.74	*15.29*
UTI Liquid Cash Plan-direct plan growth	95,179	Nil	*Nil*		18.55	Nil	Nil
UTI Liquid Fund - Cash Plan - Growth	Nil	*Nil*	*73,931*		Nil	Nil	*18.31*
UTI Liquid Cash Plan - Direct Plan-Growth	91,586	*Nil*	*Nil*		26.05	Nil	Nil
					426.16	*975.78*	*290.94*
(d) Investment in Mutual Funds (FMP) (Unquoted)							
Tata FMP - Series 44 - Scheme B - Growth	Nil	*Nil*	*1,19,51,664*	10	Nil	*Nil*	*15.02*
Tata FMP - Series 46 - Scheme A - Growth	Nil	*Nil*	*31,68,325*	10	Nil	*Nil*	*3.85*
Tata FMP - Series 45 - Scheme D - Growth	Nil	*Nil*	*13,01,188*	10	Nil	*Nil*	*1.57*
					Nil	*Nil*	*20.44*
Sub-total II (a) + II (b) + II(c) + II (d)					426.16	*1,008.44*	*335.73*
Total					**436.16**	***1,097.78***	***335.95***
Notes:							
1. Aggregate Market Value of Quoted Investments					Nil	*32.66*	*24.35*
2. Aggregate Carrying Value of Quoted Investments					Nil	*32.66*	*24.35*
3. Aggregate Carrying Value of Unquoted Investments					436.16	*1,065.12*	*311.60*
* Denotes figure below ₹ 50,000							

Notes to the Consolidated Financial Statements

16 a. Cash and Cash Equivalents

Accounting Policy

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

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
(i) Balances with Banks:			
In Current Accounts	905.58	*459.91*	*495.44*
In Deposit Accounts (with original maturity less than three months)	126.10	*349.29*	*80.72*
(ii) Cheques on Hand	28.41	*23.60*	*35.86*
(iii) Cash on Hand	1.07	*2.42*	*1.13*
Cash and Cash Equivalents as per Balance Sheet	**1,061.16**	***835.22***	***613.15***
Bank Overdraft (Refer Note 26)	(119.25)	*(16.64)*	*(373.36)*
Book Overdraft (Refer Note 25)	(0.08)	*Nil*	*Nil*
Cash and Cash Equivalents as per Statement of Cash Flows	**941.83**	***818.58***	***239.79***

Particulars	As at 31st March, 2017	Cash flows		Reclassification	Reclassified as part of Discontinued operations	Foreign Exchange	Others	As at 31st March, 2018
		Proceeds	Repayment					
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Non-current borrowings (including current maturity of non-current borrowings)	32,535.62	9,750.53	(11,224.74)	(731.26)	(585.41)	18.84	(1.61)	29,761.96
Current borrowings (excluding Bank overdraft)	16,263.15	24,579.61	(22,668.41)	731.26	(12.22)	(251.40)	66.04	18,708.03
Total	**48,798.77**	**34,330.14**	**(33,893.16)**	**Nil**	**(597.63)**	**(232.56)**	**64.43**	**48,469.99**

16 b. Other Balances with Banks

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
(a) In Deposit Accounts	111.05	*106.46*	*38.54*
(b) In Earmarked Accounts-			
Unpaid Dividend Account	13.57	*12.62*	*11.47*
Total	**124.62**	***119.08***	***50.01***

17 a. Assets classified as held for sale

Accounting Policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Notes to the Consolidated Financial Statements

17 a. Assets classified as held for sale (Contd.)

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided hereunder. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at 31st March, 2018 ₹ crore	***As at 31st March, 2017 ₹ crore***	***As at 1st April, 2016 ₹ crore***
Land [Refer Note (i)]	97.21	*15.83*	*Nil*
Property, Plant and Equipment [Refer Note (ii)]	0.22	*24.68*	*Nil*
Investments carried at Fair Value through Other Comprehensive Income [Refer Note (iii)]	69.70	*195.21*	*Nil*
Investments in Joint Ventures and Associates [Refer Note (iv)]	2,520.16	*1,683.75*	*1,122.24*
Other Assets [Refer Note (v)]	26.22	*Nil*	*Nil*
Assets of Discontinued Operations [Refer Note 17(c)]	2,065.19	*Nil*	*Nil*
Total	**4,778.70**	**1,919.47**	**1,122.24**

17 b. Liabilities associated with assets held for sale

	As at 31st March, 2018 ₹ crore	***As at 31st March, 2017 ₹ crore***	***As at 1st April, 2016 ₹ crore***
Liabilities related to Other Assets [Refer Note (v)]	26.22	*Nil*	*Nil*
Liabilities of Discontinued Operations [Refer Note 17(c)]	877.56	*Nil*	*Nil*
Total	**903.78**	***Nil***	***Nil***

(i) The Group had decided to sell/transfer following land and consequently accounted as assets held for sale at lower of carrying amount and fair value less cost to sell:

(a) Land at Belgaum ₹ 2.90 crore (*31st March, 2017 - ₹ 2.90 crore, 1st April, 2016 - ₹ Nil*);

(b) Land at Tiruldih ₹ 9.72 crore (net of impairment loss of ₹ 34 crore) (*31st March, 2017 - ₹ 9.72 crore, 1st April, 2016 - ₹ Nil*);

(c) Land at Vadaval ₹ 3.21 crore (*31st March, 2017 - ₹ 3.21 crore, 1st April, 2016 - ₹ Nil*).

(d) Land at Naraj Marthapur ₹ 81.38 crore (net of impairment loss of ₹ 31 crore) (*31st March, 2017 - ₹ Nil, 1st April, 2016 - ₹ Nil*).

(ii) The Group ceased power generation at Unit 4 at Trombay, Maharashtra and has disposed of some of the assets at the unit. During the year ended 31st March, 2017, the Company had reclassified property, plant and equipment at the said unit as asset held for sale.

Notes to the Consolidated Financial Statements

17b Liabilities associated with assets held for sale *(Contd.)*

(iii) During the previous year, the Group had decided to divest its investments carried at fair value through other comprehensive income in Tata Teleservices (Maharashtra) Limited and during the year, the Group has decided to divest certain portion of its investments carried at fair value through other comprehensive income in Tata Teleservices Limited. Hence, the said investments have been classified as held for sale at fair value of ₹ 69.70 crore as at 31st March, 2018 *(31st March, 2017 - ₹ 195.21 crore, 1st April, 2016 - ₹ Nil)*. Investment in India Energy Exchange Limited (IEX) treated as asset held for sale in the previous year has been disposed off in the current year.

(iv) (a) The Group had signed definitive agreements for sale of PT Arutmin Indonesia and its associated infrastructure and trading companies during the year ended 31st March, 2017 and the sale consideration of USD 400.92 million is expected to be received in a phased manner over next few years. Accordingly, the investments (including the investment in PT Mitratama Perkasa reclassified as held for sale during the year ended 31st March, 2017) have been classified as assets held for sale at ₹ 1,684.18 crore *(31st March, 2017 - ₹ 1,673.30 crore, 1st April, 2016 - ₹ 1,122.24 crore)*.

(b) The Group holds investment in Nelito Systems Limited (Nelito), an Associate company. During the year ended 31st March, 2017, the Group had sold part of the investment at ₹ 185/- per share and decided to sell its entire share holding. Accordingly, balance investment of ₹ 10.45 crore *(31st March, 2017 - ₹ 10.45 crore)* has been classified and disclosed as Assets classified as held for sale at ₹ 185/- per share representing the last sale price.

(c) During the year ended 31st March, 2018, the Group has decided to divest its investments in Tata Projects Limited (₹ 439.44 crore), Tata Communications Limited (₹ 107.31 crore) and Panatone Finvest Limited (₹ 278.78 crore), associate companies. Accordingly, the said investments have been classified as held for sale. No impairment loss has been recognised on reclassification as the Group expects that the fair value less costs to sell is higher than the carrying amount of ₹ 825.53 crore as at 31st March, 2018.

(v) During the year ended 31st March, 2018, the Group has decided to divest its investments in equity and preference shares of its subsidiary, Tata Ceramics Limited. Accordingly, the said investments have been classified as held for sale at ₹ Nil.

17 c. Assets classified as held for sale - Discontinued Operations

During the year ended 31st March, 2018, the Group has approved sale of its Strategic Engineering Division (SED) to Tata Advanced Systems Limited (TASL) (a wholly owned subsidiary of Tata Sons Limited) as a going concern on slump sale basis, subject to regulatory and shareholders' approvals at an enterprise value of ₹ 2,230 crore (out of which ₹ 1,040 crore payable at the time of closing and ₹ 1,190 crore payable on achieving certain milestones). Accordingly, defence business segment is presented as discontinued operations in the segment note. The date of completion of the transaction is subject to approval by National Company Law Tribunal (NCLT) and such other requisite approvals.

Results of Strategic Engineering Division for the year are presented below

Particulars	**For the year ended 31st March 2018 ₹ crore**	***For the year ended 31st March 2017 ₹ crore***
Income		
Revenue from Operations and Other Income	**286.75**	***548.12***
Expenditure		
Cost of Components Consumed	213.37	*349.98*
Employee Benefits Expense	49.40	*34.82*
Finance Costs	8.85	*5.60*
Depreciation & Amortisation	31.17	*33.01*
Other Expenses	69.83	*108.27*
Total Expenses	**372.62**	***531.68***
Profit/(Loss) before tax from discontinued operations	**(85.87)**	***16.44***
Tax		
Current Tax/(Credit)	(17.36)	*3.71*
Deferred Tax	3.23	*9.69*
Total Tax	**(14.13)**	***13.40***
Profit/(Loss) for the year from Discontinued Operations	**(71.74)**	***3.04***
Other Comprehensive Income/(Expense)	**0.85**	***Nil***

Notes to the Consolidated Financial Statements

17c Assets classified as held for sale - Discontinued Operations *(Contd.)*

Major classes of assets and liabilities of Strategic Engineering Division classified as held for sale as at 31st March, 2018 are as follows:

	As at **31st March 2018** **₹ crore**
Assets	
Property, Plant and Equipment	302.99
Capital Work-in-Progress	361.42
Other Intangible Assets	75.08
Intangible Assets Under Development	351.84
Non-current Financial Assets	4.75
Other Non-current Assets	78.04
Current Assets	
Inventories	102.30
Current Financial Assets	624.87
Other Current Assets	163.90
Assets classified as held for sale	**2,065.19**
Liabilities	
Non-current Liabilities	
Financial Liabilities	547.38
Provisions	19.05
Current Liabilities	
Financial Liabilities	202.51
Provisions	37.93
Other Current Liabilities	70.69
Liabilities associated with assets classified as held for sale	**877.56**
Net assets directly associated with Discontinued Operations	**1,187.63**

Net cash flows attributable to Strategic Engineering Division are as follows

	For the year ended 31st March 2018 ₹ crore	***For the year ended 31st March 2017 ₹ crore***
Net Cash Flow from/(used) in Operating Activities	(16.31)	*62.38*
Net Cash Flow from/(used) in Investing Activities	(233.13)	*(272.08)*
Net Cash Flow from/(used) in Financing Activities	237.27	*223.32*
Net Increase/(Decrease) in Cash and Cash Equivalents	**(12.17)**	***13.62***
Cash and Cash Equivalents as at 1st April (Opening Balance)	14.01	*0.39*
Cash and Cash Equivalents as at 31st March (Closing Balance)	**1.84**	**14.01**

In respect of the contracts pertaining to the Strategic Engineering Division, disclosures required as per Ind AS 11 are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 273.58 crore *(31st March, 2017 - ₹ 506.13 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2018 ₹ 593.14 crore *(31st March, 2017 - ₹ 1,042.45 crore)*.

(ii) Advances and progress payments received as at 31st March, 2018 ₹ 332.71 crore *(31st March, 2017 - ₹ 615.09 crore, 1st April, 2016 - ₹ 695.37 crore)*.

(iii) Retention money included as at 31st March, 2018 in Sundry Debtors ₹ 29.04 crore *(31st March, 2017 - ₹ 13.13 crore, 1st April, 2016 - ₹ 8.47 crore)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2018 ₹ 31.25 crore *(31st March, 2017 - ₹ 44.20 crore, 1st April, 2016 - ₹ 66.00 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2018 ₹ 291.68 crore *(31st March, 2017 - ₹ 370.03 crore, 1st April, 2016 - ₹ 240.40 crore)*.

Estimated amount of Contracts remaining to be executed on capital account and not provided for is ₹ 103.93 crore.
Contingent Liability of excise duty is amounting to ₹ 14.28 crore.

Notes to the Consolidated Financial Statements

18. Regulatory Deferral Accounts

Accounting Policy

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/ accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations. The Group presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances and related deferred tax balances; and

ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory asset/liabilities on deferred tax expense/income is presented separately in the tax expense line item.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Regulatory Deferral Account - Liability - Current			
Regulatory Liabilities	485.00	*662.35*	*680.38*
Regulatory Deferral Account - Assets - Non-current			
Regulatory Assets	6,304.56	*7,117.70*	*7,921.28*
Net Regulatory Assets / (Liabilities)	**5,819.56**	***6,455.35***	***7,240.90***

Rate Regulated Activities

(i) As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein the regulators determine Tariff to be charged from consumers based on prevailing regulations in place.

The Multi Year Tariff Regulations issued by respective State Regulators are applicable to the Group's distribution businesses. According to these regulations, the regulators shall determine tariff in a manner in which the Group can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Group determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in respective MYT Regulations.

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
Opening Regulatory Assets net of Liabilities	(A)	6,455.35	*7,240.90*
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		7,518.31	*7,368.48*
(ii) Other expenses as per the terms of Tariff Regulations including ROE		2,709.05	*2,347.33*
(iii) Amount collected (including pertaining to earlier years)		(10,637.21)	*(10,094.25)*
Regulatory Income/(Expenses) (net) (i + ii + iii)	(B)	(409.85)	*(378.44)*
Regulatory Assets/(Liabilities) on carrying cost recognised as revenue	(C)	(49.00)	*Nil*
Regulatory Income (net) in respect of earlier years	(D)	Nil	*77.00*
Regulatory Assets/(Liabilities) on deferred tax expense/(income)	(E)	(176.94)	*(484.11)*
Closing Regulatory Asset (net of Liabilities)	(A+B+C+D+E)	**5,819.56**	***6,455.35***

Notes to the Consolidated Financial Statements

19 a. Equity - Share Capital

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Authorised						
Equity Shares of ₹ 1/- each	350,00,00,000	350.00	*300,00,00,000*	*300.00*	*300,00,00,000*	*300.00*
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	*2,29,00,000*	*229.00*	*2,29,00,000*	*229.00*
		579.00		*529.00*		*529.00*
Issued						
Equity Shares [including 28,32,060 shares *(31st March, 2017 - 28,32,060 shares, 1st April, 2016 - 29,76,172 shares)* not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay	276,17,00,970	276.17	*276,17,00,970*	*276.17*	*276,17,00,970*	*276.17*
Subscribed and Paid-up						
Equity Shares fully Paid-up [excluding 28,32,060 shares *(31st March, 2017 - 28,32,060 shares, 1st April, 2016 - 29,76,172 shares)* not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay	270,47,73,510	270.48	*270,47,73,510*	*270.48*	*270,46,29,398*	*270.46*
Less: Calls in arrears [including ₹ 0.01 crore *(31st March, 2017 - ₹ 0.01 crore, 1st April, 2016 - ₹ 0.01 crore)* in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited]		0.04		*0.04*		*0.04*
		270.44		*270.44*		*270.42*
Add: Equity Shares forfeited - Amount paid	16,52,300	0.06	*16,52,300*	*0.06*	*16,52,300*	*0.06*
Total Issued, Subscribed and fully Paid-up Share Capital		**270.50**		***270.50***		***270.48***

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Equity Shares						
At the beginning of the year	270,64,25,810	270.50	*270,62,81,698*	*270.48*	*270,62,77,554*	*270.48*
Issued during the year	Nil	Nil	*1,44,112*	*0.02*	*4,144*	*
Outstanding at the end of the year	270,64,25,810	**270.50**	*270,64,25,810*	***270.50***	*270,62,81,698*	***270.48***

* Denotes figures below ₹ 50,000/-.

Notes to the Consolidated Financial Statements

19 a. Equity - Share Capital *(Contd.)*

(ii) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2018		*As at 31st March, 2017*		*As at 1st April, 2016*	
	Number	% Holding	*Number*	*% Holding*	*Number*	*% Holding*
Equity Shares of ₹ 1/- each fully paid						
Tata Sons Limited	83,97,99,682	31.05	*83,97,99,682*	*31.05*	*83,97,99,682*	*31.05*
Life Insurance Corporation of India	31,79,60,364	11.76	*33,22,45,379*	*12.28*	*36,98,66,780*	*13.68*
Matthews Pacific Tiger Fund	17,79,49,592	6.58	*16,46,20,436*	*6.09*	*16,56,20,436*	*6.12*

19 b. Unsecured Perpetual Securities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
11.40% Unsecured Perpetual Securities	1,500.00	*1,500.00*	*1,500.00*
Add: Issued during the year	Nil	*Nil*	*Nil*
Total	**1,500.00**	***1,500.00***	***1,500.00***

In an earlier year the Parent Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years (year 2022). The distribution on the Securities may be deferred at the option of the Parent Company, if during the six months preceding the relevant distribution payment date, the Parent Company has made no payment on, or redeemed or repurchased, any securities ranking pari passu with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Parent Company and the Parent Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

Notes to the Consolidated Financial Statements

20. Other Equity

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore
General Reserve		
Opening Balance	4,086.53	4,086.53
Closing Balance	4,086.53	4,086.53
Securities Premium Reserve		
Opening Balance	5,647.80	5,646.95
Add/(Less): Share Premium collected during the year	Nil	0.85
Closing Balance	5,647.80	5,647.80
Debenture Redemption Reserve		
Opening Balance	1,074.85	564.71
Add/(Less): Amount transferred from/(to) Retained Earnings	(1.69)	510.14
Closing Balance	1,073.16	1,074.85
Capital Redemption Reserve		
Opening Balance	15.76	15.76
Closing Balance	15.76	15.76
Capital Reserve		
Opening Balance	221.30	221.30
Add: Movement during the year	10.79	Nil
Closing Balance	232.09	221.30
Special Reserve Fund		
Opening Balance	102.85	74.73
Add: Amount transferred from Retained Earnings	16.20	28.12
Closing Balance	119.05	102.85
Statutory Reserves		
Opening Balance	660.08	660.08
Closing Balance	660.08	660.08
Retained Earnings		
Opening balance (Refer Note 1 below)	697.36	766.90
Add: Profit for the year	2,476.56	896.55
Transfer from Equity Instrument through Other Comprehensive Income (Refer Note 2 below)	226.37	141.62
Less: Distribution on Unsecured Perpetual Securities (Net of tax)	112.06	112.44
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	16.37	30.25
Other Appropriations:		
Payment of Dividend (Refer Note 3 below)	351.99	351.99
Tax on Dividend	71.65	71.66
Transfer to Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)	16.20	28.12
Transfer to Debenture Redemption Reserve	(1.69)	510.14
Transfer to Non-Controlling Interest	Nil	3.11
	2,136.35	(69.54)
Closing Balance	2,833.71	697.36
Equity Instrument through Other Comprehensive Income		
Opening Balance	100.73	413.20
Add/(Less): Transfer to Retained Earnings (Refer Note 4 below)	(226.37)	(141.62)
Add/(Less): Change in Fair Value of Equity Instruments through Other Comprehensive Income	80.87	(170.85)
Closing Balance	(44.77)	100.73
Foreign Currency Translation Reserve		
Opening Balance	337.42	274.44
Add: Addition during the year	30.13	62.98
Closing Balance	367.55	337.42
Effective Portion of Cash Flow Hedge		
Opening Balance	(0.63)	(6.62)
Add/(Less): Effective Portion of Cash Flow Hedge for the year	(0.63)	5.99
Closing Balance	(1.26)	(0.63)
Total	**14,989.70**	**12,944.05**

Notes to the Consolidated Financial Statements

20. Other Equity *(Contd.)*

Notes:

1. Includes gain on fair valuation of land which is not available for distribution ₹ 362.34 crore (*31st March, 2017 - ₹ 362.34 crore, 1st April, 2016 - ₹ 362.34 crore*).
2. During the year ended 31st March, 2018, the Group has sold certain long-term investments. The resultant profit of ₹ 226.37 crore (*31st March, 2017 - ₹ 141.62 crore*) has been transferred from Equity Instrument through Other Comprehensive Income to Retained Earnings.
3. On 24th August, 2017, a dividend of ₹ 1.30 per share was paid to the holders of fully paid equity shares.
4. In respect of the year ended 31st March, 2018, the directors have proposed a dividend of ₹ 1.30 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 351.99 crore.

Nature and purpose of reserves:

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Securities Premium Reserve

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

Debenture Redemption Reserve

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

Capital Redemption Reserve

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

Capital Reserve

Capital Reserve consists of forfeiture of the amount received from Tata Sons Limited on preferential allotment of convertible warrants in the Parent Company, on the lapse of the period to exercise right to convert the said warrants and on forfeiture of amounts paid on Debentures.

Special Reserve Fund

This reserve represents the amount transferred from its annual profits by the non-banking finance subsidiary in the Group pursuant to Reserve Bank of India regulations.

Statutory Reserves

Statutory Reserve consists of Special Appropriation towards Project Cost, Development Reserve and Investment Allowance Reserve.

Special appropriation to project cost - Due to high capital investment required for the expansion in the electricity industry, the Maharashtra State government permits part of the capital cost of approved projects to be collected through the electricity tariff and held as a special appropriation.

Development Reserve / Investment Allowance Reserve - Until 1978, the Companies made appropriations to a Development Reserve and an Investment Allowance Reserve as required by the Income Tax Act, 1956. New appropriations to these reserves are no longer required due to changes in Indian law. An amount equal to 0.5% on the accumulation in the Investment Allowance Reserve was included in the reasonable return calculation.

Retained Earnings

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

Equity Instrument through Other Comprehensive Income:

This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets are disposed off.

Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Effective Portion of Cash Flow Hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

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Notes to the Consolidated Financial Statements

21. Non-current Borrowings

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Non-current ₹ crore	Current* ₹ crore	Non-current ₹ crore	Current * ₹ crore	Non-current ₹ crore	Current * ₹ crore
(i) Unsecured - At Amortised Cost						
Bonds/Debentures						
8.50% Euro Notes 2017	Nil	Nil	Nil	386.22	394.54	Nil
Convertible Debentures	Nil	Nil	Nil	Nil	1.11	Nil
Redeemable Non-Convertible Debentures	6,670.88	1,875.00	4,676.67	4,499.77	3,907.60	Nil
Term Loans						
From Banks	2,815.06	2,598.89	5,615.13	67.50	5,977.88	667.90
Loans from Related Parties	Nil	Nil	770.42	Nil	787.03	Nil
Deferred Payment Liabilities - Sales Tax Deferral	17.00	14.48	28.45	15.35	43.30	14.17
Others						
Non-Convertible Cumulative Redeemable Preference Shares	245.00	Nil	245.00	Nil	245.00	Nil
(A)	9,747.94	4,488.37	11,335.67	4,968.84	11,356.46	682.07
(ii) Secured - At Amortised Cost						
Bonds/Debentures						
Redeemable Non-Convertible Debentures	1,475.99	1,041.00	2,518.69	41.00	2,061.34	41.02
Term Loans						
From Banks	10,250.39	1,825.76	9,157.85	2,303.64	8,382.52	1,050.78
From Others	533.81	50.52	632.98	79.18	613.56	71.93
Others						
Buyer's Credit	348.18	Nil	1,497.77	Nil	Nil	Nil
(B)	12,608.37	2,917.28	13,807.29	2,423.82	11,057.42	1,163.73
Total (A)+(B)	**22,356.31**	**7,405.65**	**25,142.96**	**7,392.66**	**22,413.88**	**1,845.80**

* Amount disclosed under Other Current Financial Liabilities (Refer Note 22)

Security

Non-current Borrowings

Redeemable Non-convertible Debentures issued by the Group are secured by charge on movable and immovable assets of the respective entities.

Term Loans and Buyer's Credit availed by various entities of the Group from various Banks and Financial Institutions are secured by way of charge on all present and future moveable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, book debts, project receivables, intangibles, uncalled capital receivables, rights under project documents of the respective entities, project cash flows, regulatory deferral accounts, accounts including Debt Service Reserve Accounts and bank accounts, bank guarantees and pledge of shares of subsidiaries held by their respective holding companies.

Notes to the Consolidated Financial Statements

21. Non-current Borrowings *(Contd.)*

Terms of Repayment

₹ crore

Particulars	Amount Outstanding as at 31st March, 2018	Financial Year						
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-28	FY 28-29 and onwards
(i) Unsecured - At Amortised Cost								
Debentures								
Redeemable Non-Convertible Debentures	8,569.48	1,875.00	500.00	370.00	1,564.48	1,476.65	1,283.35	1,500.00
Term Loans								
From Banks	5,416.84	2,598.89	30.00	2,347.95	47.55	47.55	344.90	Nil
Deferred Payment Liabilities - Sales Tax	31.48	14.48	8.50	5.67	2.83	Nil	Nil	Nil
Others								
Non-convertible Cumulative Redeemable Preference Shares	245.00	Nil	Nil	Nil	Nil	Nil	Nil	245.00
(ii) Secured - At Amortised Cost								
Debentures								
Redeemable Non-Convertible Debentures	2,523.00	1,041.00	41.00	206.00	201.00	516.00	218.00	300.00
Term Loans								
From Banks	12,058.28	1,825.76	1,632.57	1,755.00	946.11	900.46	3,700.29	1,298.09
From Others	615.08	50.52	34.07	16.77	7.71	38.54	206.72	260.75
Others								
Buyers Credit	348.18	Nil	346.00	0.91	0.99	0.28	Nil	Nil
	29,807.34	**7,405.65**	**2,592.14**	**4,702.30**	**2,770.67**	**2,979.48**	**5,753.26**	**3,603.84**
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	45.38							
Total	**29,761.96**							

Notes:

Range of interest rates for:

1. Debentures - 7.99% to 12%
2. Term loan from banks - 8.35% to 9.45%
3. Term loan from others - 5% to 9.36%

Notes to the Consolidated Financial Statements

22. Other Financial Liabilities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
Security Deposits from Customers	615.29	*537.53*	*566.37*
Payables tor capital supplies and services	7.79	*5.06*	*4.85*
Regulatory Liabilities other than Distribution Business	66.00	*Nil*	*Nil*
Other Liabilities	24.23	*8.35*	*0.35*
	713.31	**550.94**	**571.57**
Current			
(a) Current Maturities of Long-term Debt (Refer Note 21)	7,405.65	*7,392.66*	*1,845.80*
(b) Interest accrued but not due on Borrowings - Others	518.23	*563.11*	*336.46*
(c) Interest accrued but not due on Borrowings - Joint Ventures	289.52	*329.04*	*232.53*
(d) Investor Education and Protection Fund shall be credited by the following amounts namely: **			
Unpaid Dividend	17.73	*16.41*	*14.87*
Unpaid Matured Deposits	0.03	*0.03*	*0.03*
Unpaid Matured Debentures	0.09	*0.09*	*0.09*
(e) Other Payables			
Payables tor capital supplies and services	417.89	*771.03*	*653.32*
Derivative Contracts (net)	457.67	*944.51*	*937.23*
Security Deposits from Electricity Consumers	237.13	*211.67*	*206.11*
Security Deposits from Customers	34.19	*43.58*	*24.76*
Tender Deposits from Vendors	1.95	*1.88*	*1.41*
Regulatory Liabilities other than Distribution Business	336.75	*799.83*	*639.21*
Financial Guarantee Obligation towards Lenders of Jointly Controlled Entity [Refer Note 6b(ii)]	97.77	*Nil*	*Nil*
Other Financial Liabilities	465.13	*312.62*	*164.16*
	10,279.73	**11,386.46**	**5,055.98**

** Includes amounts outstanding aggregating ₹ 0.88 crore *(31st March, 2017 - ₹ 0.87 crore, 1st April, 2016 - ₹ 0.84 crore)* for more than seven years pending legal cases.

Notes to the Consolidated Financial Statements

23. Provisions

Accounting Policy

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

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

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
Provisions for Employee Benefits			
Compensated Absences	132.42	*133.25*	*125.94*
Gratuity (Net) [Refer Note 23 (2.3)]	33.41	*30.76*	*25.83*
Post-Employment Medical Benefits [Refer Note 23 (2.3)]	32.33	*24.86*	*20.57*
Other Defined Benefit Plans [Refer Note 23 (2.3)]	61.73	*41.20*	*39.01*
Other Employee Benefits	26.98	*22.16*	*14.66*
	286.87	*252.23*	*226.01*
Other Provisions			
Provision for Warranties	13.13	*18.34*	*16.85*
Provision for Estimated Losses	Nil	*0.11*	*0.67*
	13.13	*18.45*	*17.52*
Total	**300.00**	***270.68***	***243.53***
Current			
Provisions for Employee Benefits			
Compensated Absences	23.66	*25.04*	*15.52*
Gratuity (Net) [Refer Note 23 (2.3)]	2.75	*13.76*	*29.16*
Post-Employment Medical Benefits [Refer Note 23 (2.3)]	1.37	*0.83*	*0.73*
Other Defined Benefit Plans [Refer Note 23 (2.3)]	9.07	*5.84*	*5.77*
Other Employee Benefits	6.33	*2.60*	*5.87*
	43.18	**48.07**	**57.05**
Other Provisions			
Provision for Warranties	18.16	*44.18*	*38.12*
Provision for Losses/ Onerous Contracts	23.28	*0.77*	*91.58*
Provision for Losses of Joint Ventures	84.50	*82.64*	*60.16*
Provision for Rectification Work	24.32	*32.03*	*15.52*
	150.26	*159.62*	*205.38*
Total	**193.44**	***207.69***	***262.43***

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

Movement of Other Provisions

₹ crore

	Provision for Warranties	Provision for Losses of Joint Ventures	Provision for Losses/ Onerous Contracts	Provision for Rectification Work	Total
Balance as at 1st April, 2016	*54.97*	*60.16*	*92.25*	*15.52*	*222.90*
Additional provisions recognised	*43.13*	*22.48*	*Nil*	*16.51*	*82.12*
Reductions arising from payments	*(6.86)*	*Nil*	*(0.30)*	*Nil*	*(7.16)*
Reductions arising from remeasurements or settlement without cost	*(28.72)*	*Nil*	*(91.07)*	*Nil*	*(119.79)*
Balance as at 31st March, 2017	***62.52***	***82.64***	***0.88***	***32.03***	***178.07***
Balance as at 31st March, 2017	62.52	82.64	0.88	32.03	178.07
Additional provisions recognised	42.68	1.86	21.49	18.88	84.91
Reductions arising from payments	(16.60)	Nil	Nil	(26.59)	(43.19)
Reductions arising from remeasurements or settlement without cost	(29.03)	Nil	Nil	Nil	(29.03)
Exchange Differences	Nil	Nil	0.91	Nil	0.91
Reclassified as Liabilities pertaining to Assets Held for Sale	(28.28)	Nil	Nil	Nil	(28.28)
Balance as at 31st March, 2018	**31.29**	**84.50**	**23.28**	**24.32**	**163.39**

Notes:

1. Provision for employee benefits includes provision for gratuity, post-employment, medical benefits, pension (including Director pension), ex-gratia death benefit and retirement gift.
2. The provision for warranty claims represents estimated warranty liability for the products sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.The provision related to Asset held for Sale is transferred to Liabilities pertaining to Asset held for Sale.
3. The provision for losses of Joint Ventures is recognised, to the extent that the group has incurred legal or constructive obligations, in the event that the share of losses for Joint Ventures accounted for using the equity method, exceeds zero.
4. The provision for losses includes provision for Estimated Losses on onerous contracts and Provision for Contingency on regulatory assets recognised for Delhi Distribution business.
5. The provision for rectification work relates to the estimated cost of work agreed to be carried out for the rectification of goods supplied to the customers. The amount is anticipated to be expensed in the subsequent year. These amounts have not been discounted for the purposes of measuring the provision for rectification work, because the effect is not material.

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

Employee benefit plan

1. Defined Contribution plan

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution plans for eligible employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs. The provident fund contributions as specified under the law are paid to the Governmment approved provident fund trust or statutory provident fund authorities. The Group has no obligation, other than the contribution payable to the respective fund. The Group recognizes such contribution payable to the respective fund scheme as an expense, when an employee renders the related service.

The Group has recognised ₹ 65.22 crore *(31st March, 2017 - ₹ 36.56 crore)* for provident fund contributions and ₹ 10.20 crore *(31st March, 2017 - ₹ 10.77 crore)* for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

2. Defined benefit plans

2.1 The Group operates the following unfunded/funded defined benefit plans:

Funded:

Provident Fund

The Parent Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Parent Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Parent Company. The Parent Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Parent Company does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31st March, 2018.

The significant assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	31st March, 2018	*31st March, 2017*
Interest rate	8.55% p.a.	*8.60% p.a.*
Discount rate	7.70% p.a.	*6.90% p.a.*
Contribution during the year (₹ crore)	19.04	*20.42*

Unfunded:

Post Employment Medical Benefits

The Group provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Group's facilities.

Pension (including Director pension)

The Group operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Group from time to time.

Ex-Gratia Death Benefit

The Group has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Group has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

Funded/Unfunded:

Gratuity

The Group has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is a combination of funded plan and unfunded plan for various companies in the Group. In case of funded plan, the fund has the form of a trust and is governed by Trustees appointed by the Group. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	**31st March, 2018**	***31st March, 2017***	***1st April, 2016***
Discount Rate/Expected Rate of Return on Plan Assets	7.60% to 7.82% p.a.	*6.90% to 7.51% p.a.*	*7.56% to 8.20% p.a.*
Salary Growth Rate	5% to 8% p.a.	*6% to 8% p.a.*	*6% to 11% p.a.*
Turnover Rate	2.50% to 8% p.a.	*8% to 15% p.a.*	*8% to 15% p.a.*
Pension Increase Rate	3% to 5% p.a.	*3% to 5% p.a.*	*3% to 5% p.a.*
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	*Indian Assured Lives Mortality (2006-08) (modified) Ult*	*Indian Assured Lives Mortality (2006-08) (modified) Ult*
Annual Increase in Healthcare Cost	8% p.a.	*8% p.a.*	*8% p.a.*

2.3 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

Funded Plan - Gratuity:	**Present value of obligation ₹ crore**	**Fair value of plan assets ₹ crore**	**Net amount ₹ crore**
Balance as at 1st April, 2016	***265.14***	***(221.67)***	***43.47***
Current service cost	*18.82*	*Nil*	*18.82*
Past service cost	*12.42*	*Nil*	*12.42*
Interest Cost/(Income)	*19.25*	*(18.00)*	*1.25*
Less: Amount recognised in statement of profit and loss - Discontinued operations	*(2.40)*	*Nil*	*(2.40)*
Amount recognised in statement of profit and loss - Continuing operations	***48.09***	***(18.00)***	***30.09***
<u>Remeasurement (gains)/losses</u>			
Return on plan assets excluding amounts included in interest cost/(income)	*Nil*	*(12.78)*	*(12.78)*
Actuarial (gains)/losses arising from changes in demographic assumptions	*0.14*	*Nil*	*0.14*
Actuarial (gains)/losses arising from changes in financial assumptions	*14.75*	*Nil*	*14.75*
Actuarial losses arising from experience	*6.27*	*Nil*	*6.27*
Amount recognised in other comprehensive income	***21.16***	***(12.78)***	***8.38***
Employer contribution	*Nil*	*(27.01)*	*(27.01)*
Benefits paid	*(26.42)*	*0.95*	*(25.47)*
Acquisitions credit/(cost)	*(1.99)*	*(0.05)*	*(2.04)*
Add: Amounts recognised in current year - Discontinued operations	*2.40*	*Nil*	*2.40*
Balance as at 31st March, 2017	***308.38***	***(278.56)***	***29.82***

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

	Present value of obligation ₹ crore	Fair value of plan assets ₹ crore	Net amount ₹ crore
Balance as at 31st March, 2017	**308.38**	**(278.56)**	**29.82**
Current service cost	23.04	Nil	23.04
Past service cost	Nil	Nil	Nil
Interest Cost/(Income)	19.11	(17.58)	1.53
Less: Amount recognised in statement of profit and loss - Discontinued operations	(1.97)	*Nil*	*(1.97)*
Amount recognised in statement of profit and loss - Continuing operations	***40.18***	***(17.58)***	***22.60***
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	0.87	0.87
Actuarial (gains)/losses arising from changes in demographic assumptions	9.63	Nil	9.63
Actuarial (gains)/losses arising from changes in financial assumptions	(45.67)	Nil	(45.67)
Actuarial (gains)/losses arising from experience	15.77	Nil	15.77
Amount recognised in other comprehensive income	**(20.27)**	**0.87**	**(19.40)**
Employer contribution	Nil	(6.26)	(6.26)
Benefits paid	(22.02)	1.75	(20.27)
Acquisitions credit/(cost)	(4.49)	0.13	(4.36)
Add: Amounts recognised in current year - Discontinued operations	1.97	*Nil*	1.97
Less: Transferred to Assets/Liabilities held for sale - Discontinued operations	(14.30)	*Nil*	*(14.30)*
Balance as at 31st March, 2018	**289.45**	**(299.65)**	**(10.20)**

Unfunded Plan - Gratuity and Other Defined Benefit Plans:

	Gratuity Amount ₹ crore	*Other Defined Benefit Plans Amount ₹ crore*
Balance as at 1st April, 2016	***11.52***	***66.08***
Current service cost	*0.98*	*2.50*
Past service cost	*3.49*	*0.58*
Interest Cost/(Income)	*0.89*	*4.87*
Add/(Less): Amount recognised in statement of profit and loss - Discontinued operations	*Nil*	*(0.60)*
Amount recognised in statement of profit and loss - Continuing operations	***5.36***	***7.35***
Remeasurement (gains)/losses		
Actuarial (gains) arising from changes in demographic assumptions	*(0.54)*	*Nil*
Actuarial (gains)/losses arising from changes in financial assumptions	*(4.38)*	*4.89*
Actuarial (gains)/losses arising from experience	*3.56*	*(0.06)*
Amount recognised in other comprehensive income	***(1.36)***	***4.83***
Benefits paid	*(1.28)*	*(5.99)*
Acquisitions credit/(cost)	*0.46*	*(0.14)*
Add: Amounts recognised in current year - Discontinued operations	*Nil*	*0.60*
Balance as at 31st March, 2017	***14.70***	***72.73***

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

Unfunded Plan - Gratuity and Other Defined Benefit Plans*(Contd.)*

	Gratuity Amount ₹ crore	*Other Defined Benefit Plans* *Amount* *₹ crore*
Balance as at 31st March, 2017	**14.70**	***72.73***
Current service cost	1.80	*4.14*
Past service cost	(0.18)	*2.51*
Past service cost - Plan amendments	Nil	*3.77*
Interest Cost/(Income)	1.26	*5.33*
Less: Amount recognised in statement of profit and loss - Discontinued operations	Nil	*(0.64)*
Amount recognised in statement of profit and loss - Continuing operations	**2.88**	***15.11***
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	1.13	*8.57*
Actuarial (gains)/losses arising from changes in financial assumptions	(2.55)	*(0.81)*
Actuarial (gains)/losses arising from experience	(0.66)	*17.62*
Amount recognised in other comprehensive income	**(2.08)**	***25.38***
Benefits paid	(0.71)	*(5.79)*
Acquisitions credit/(cost)	5.16	*(0.84)*
Add: Amounts recognised in current year - Discontinued operations	Nil	*0.64*
Less: Transferred to Assets/Liabilities held for sale - Discontinued operations	Nil	*(2.73)*
Balance as at 31st March, 2018	**19.95**	***104.50***

Reconciliation with amount presented in the Balance Sheet

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017* *₹ crore*
Gratuity provision (net) as per above note	9.75	*44.52*
Non current provision for Gratuity (net)	33.41	*30.76*
Add : Current provision for Gratuity (net)	2.75	*13.76*
Less : Recognised as an asset for balance in books of Parent Company	26.41	*Nil*
Gratuity provision (net) as per above	9.75	*44.52*

Provision for Other defined benefit obligation

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017* *₹ crore*
Closing provision as per above note	104.50	*72.73*
Non current provision for Post-Employment Medical benefits	32.33	*24.86*
Add : Non current provision for Other defined benefit plans	61.73	*41.20*
Add : Current provision for Post-Employment Medical benefits	1.37	*0.83*
Add : Current provision for Other defined benefit plans	9.07	*5.84*
Closing provision as per above	104.50	*72.73*

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

2.4 Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption			Decrease in assumption		
	31st March, 2018	***31st March, 2017***		**31st March, 2018 ₹ crore**	***31st March, 2017 ₹ crore***		**31st March, 2018 ₹ crore**	***31st March, 2017 ₹ crore***
Discount rate	0.50%	0.50%	Decrease by	17.30	*15.87*	Increase by	18.41	*17.24*
Salary/Pension growth rate	0.50%	0.50%	Increase by	15.75	*16.46*	Decrease by	14.63	*15.30*
Claim rates	5%	5%	Decrease by	12.22	*18.20*	Increase by	0.28	*16.37*
Mortality rates	1 year	1 year	Decrease by	3.58	*3.81*	Increase by	3.46	*4.87*
Healthcare cost	0.50%	0.50%	Increase by	2.59	*1.97*	Decrease by	2.16	*1.77*

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

2.5 The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Within 1 year	31.51	*29.10*
Between 1 - 2 years	44.62	*39.03*
Between 2 - 3 years	45.64	*45.15*
Between 3 - 4 years	46.93	*47.02*
Between 4 - 5 years	44.37	*47.35*
Beyond 5 years	258.45	*250.41*

The weighted average duration of the defined benefit obligation is approximately 8.1 years (*31st March, 2017 - 7 years*).

The contribution expected to be made by the Group during the financial year 2018-19 is ₹ 2.94 crore *(2017-18 is ₹ Nil*).

2.6 Risk exposure:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

Notes to the Consolidated Financial Statements

23. Provisions *(Contd.)*

2.7 Major categories of plan assets:

Plan assets are funded with the trust set up by the Group. The Insurer trust invests the funds in various financial instruments. Major categories of plan assets are as follows:

	31st March, 2018	*31st March, 2017*	*1st April, 2016*
	%	*%*	*%*
Equity Instruments	20%	*20%*	*18%*
Debt Instruments	44%	*36%*	*31%*
Government Securities	25%	*28%*	*30%*
Cash & Cash Equivalents	11%	*17%*	*20%*

24. Tax liabilities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current tax liabilities			
Income-tax payable	3.74	*3.74*	*3.74*
Total	**3.74**	***3.74***	***3.74***
Current tax liabilities			
Income-tax payable	160.38	*122.04*	*148.16*
Total	**160.38**	***122.04***	***148.16***

25. Other Liabilities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current			
Consumers' Benefit Account	21.94	*21.94*	*21.94*
Deferred Revenue - Service Line Contributions from Consumers	976.50	*967.83*	*878.48*
Liability to Consumers	262.23	*235.78*	*265.10*
Deferred Rent Liability	45.71	*46.69*	*47.67*
Deferred Revenue Grant*	1,783.66	*1,806.41*	*1,829.69*
Total	**3,090.04**	***3,078.65***	***3,042.88***

The Group has recognized an income of ₹ 69.80 crore on account of Deferred Grants during the year in the statement of profit and loss.

* One of the subsidiary of the Group is eligible for government grant for certain solar projects. The subsidiary company is in the process of creating charge on project assets in favour of Solar Energy Corporation of India. Once the charge is created, the subsidiary company will file application for release of the grant.

Notes to the Consolidated Financial Statements

25. Other Liabilities *(Contd.)*

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Current			
Book Overdraft	0.08	*Nil*	*Nil*
Statutory Liabilities	248.29	*267.28*	*248.25*
Advance from Customers/Public Utilities	559.47	*412.71*	*219.82*
Statutory Consumer Reserves	545.76	*531.76*	*517.76*
Dividend Tax on Preference Shares	12.33	*12.21*	*12.21*
Deferred Revenue Grant	52.43	*50.72*	*50.72*
Other Liabilities	83.04	*41.56*	*2.88*
Total	**1,501.40**	**1,316.24**	**1,051.64**

26. Current Borrowings

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
(i) Unsecured - At Amortised Cost			
From Banks			
(a) Buyer's Line of Credit	602.89	*672.20*	*392.37*
(b) Bank Overdraft	119.25	*16.64*	*373.36*
(c) Short-term Loans	2,046.28	*575.93*	*556.20*
From Others			
(d) From Related Parties	2,368.11	*1,197.49*	*1,127.90*
(e) From Others	4,504.23	*4,174.38*	*4,598.89*
(f) Commercial Papers	3,808.07	*3,074.56*	*1,303.07*
	13,448.83	*9,711.20*	*8,351.79*
(ii) Secured - At Amortised Cost			
From Banks			
(g) Buyer's Line of Credit	Nil	*Nil*	*1.00*
(h) Short-term Loans	5,378.45	*6,568.59*	*6,236.12*
	5,378.45	*6,568.59*	*6,237.12*
Total	**18,827.28**	**16,279.79**	**14,588.91**

Security

Short-term Loans and Buyer's Line of Credit availed by various entities of the Group are secured by a charge on immovable property of certain entities, both present and future and are also secured by way of charge on tangible and intangible assets, current assets, receivables and stores and spares, uncalled capital receivables, rights under project documents, project cash flows, pledge of shares and monies receivable of the respective entities.

Notes to the Consolidated Financial Statements

27. Revenue from Operations

Accounting Policy

A. Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Further, specific criteria for revenue recognition followed for different businesses are as under-

(i) Power Business:

a. Revenue from Distribution Business: Revenue from sale of power is accounted for on the basis of billing to consumers based on billing cycles followed by the Group which is inclusive of fuel adjustment charges (FAC) and includes unbilled revenue for the year. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters.

b. Revenue from Transmission Business: In case of transmission businesses, revenue is accounted on the basis of periodic billing to consumers / state transmission utility. The surcharge on late / non-payment of dues by customers for sale of energy is recognized as revenue on certainty of receipt. The Transmission system Incentive/disincentive is accounted for based on the certification of availability by the respective regional power committee and in accordance with the norms notified / approved by the regulatory authorities.

c. The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit / credit balances (Regulatory Assets / Regulatory Liabilities) as the case may be in the financial statements, which would be recovered / refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Group presents separate line items in the Balance Sheet for:

i. the total of all regulatory deferral account debit balances; and

ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account for the reporting period.

B. Delayed payment charges

Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence when recovered.

C. Sale of Goods

- Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Consolidated Financial Statements

27. Revenue from Operations *(Contd.)*

Accounting Policy ***(Contd.)***

D. Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. The revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

E. Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

F. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The outcome of a construction contract is considered as estimated reliably when -

(a) total contract revenue can be measured reliably;

(b) it is probable that the economic benefits associated with the contract will flow to the entity

(c) both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured.

(d) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received from customer. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

Notes to the Consolidated Financial Statements

27. Revenue from Operations *(Contd.)*

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a) Revenue from Power Supply and Transmission Charges	26,097.26	*24,398.71*
Add/(Less): Income/(Expense) to be adjusted in future tariff determination (Net)	(254.30)	*(121.34)*
Add/(Less): Income/(Expense) to be adjusted in future tariff determination (Net) in respect of earlier years	Nil	*(100.69)*
	25,842.96	*24,176.68*
(b) Project/Operation Management Services		
Assets Under Lease	1,034.51	*891.83*
Others	92.52	*117.21*
	1,127.03	*1,009.04*
(c) Revenue from Contracts (including Excise Duty)		
Solar Products	1,194.43	*1,492.35*
Electronic Products	63.32	*76.71*
	1,257.75	*1,569.06*
(d) Income from Finance Lease	134.12	*113.42*
(e) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	11.31	*13.62*
Charter Hire	169.23	*159.34*
Income in respect of Services Rendered	323.49	*296.38*
Compensation	11.95	*14.66*
Amortisation of Capital Grants	69.80	*61.18*
Amortisation of Service Line Contributions	80.74	*67.00*
Income from Storage and Terminalling	14.99	*14.62*
Miscellaneous Revenue and Sundry Credits	88.66	*57.20*
Sale of Fly Ash	12.07	*10.61*
Sale of Coal	166.21	*Nil*
Sale of Carbon Credits	9.32	*9.47*
Dividend from Equity Investments measured at FVTOCI	3.64	*3.00*
Dividend from Equity Investments measured at FVTPL	0.32	*0.61*
Interest on Inter-corporate Deposits	Nil	*0.67*
Profit on sale on Non-current Investment - Associates	Nil	*0.26*
Profit on sale on Current Investment measured at FVTPL	7.63	*10.77*
	969.36	*719.39*
Total	**29,331.22**	***27,587.59***

Notes to the Consolidated Financial Statements

28. Other Income

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a) Interest Income		
(i) On Financial Assets held at Amortised Cost		
Interest on Banks Deposits	76.30	*11.77*
Interest from Inter-corporate Deposits	0.82	*17.57*
Interest on Overdue Trade Receivables	5.24	*21.41*
Interest on Non-current Investment - Contingency Reserve Fund	11.72	*7.35*
Interest on Non-current Investment - Deferred Tax Liability Fund	17.23	*21.21*
Interest on Loans to Joint Ventures	2.44	*22.98*
Other Interest	1.65	*16.14*
	115.40	*118.43*
(ii) Others		
Interest on Income-tax refund	5.02	*3.44*
	120.42	*121.87*
(b) Dividend Income		
From Current Investments measured at FVTPL	0.82	*1.20*
From Non-current Investments measured at FVTOCI	17.85	*3.97*
	18.67	*5.17*
(c) Gain/(Loss) on Investments		
Gain on Sale/Fair value of Current Investment measured at FVTPL	51.34	*91.21*
(d) Other Non-operating Income		
Commission Earned	9.77	*9.90*
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	4.54	*(18.85)*
Delayed Payment Charges	26.48	*27.91*
Other Income	23.48	*23.52*
Management Fees	177.99	*325.17*
	242.26	*367.65*
Total	**432.69**	***585.90***

Notes to the Consolidated Financial Statements

29. Raw Materials Consumed and Decrease/(Increase) in Work-in-Progress/Finished Goods/Stock-in-Trade

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Raw Materials Consumed		
Opening Stock	158.76	*139.69*
Add: Purchases	723.26	*1,028.74*
	882.02	*1,168.43*
Less: Closing Stock	133.05	*158.76*
Total	**748.97**	***1,009.67***
Decrease/(Increase) in Work-in-Progress/Finished Goods/Stock-in-Trade		
Work-in-Progress		
Inventory at the beginning of the year	29.71	*16.77*
Add: Additions during the year	0.18	*18.48*
Less: Reclassified to Assets Held for Sale	(23.69)	*Nil*
	6.20	*35.25*
Less: Inventory at the end of the year	6.36	*29.71*
	(0.16)	*5.54*
Finished Goods		
Inventory at the beginning of the year	110.13	*88.76*
Add: Purchase/Used in the year	Nil	*44.17*
Less: Reclassified to Assets Held for Sale	(15.13)	*Nil*
	95.00	*132.93*
Less: Inventory at the end of the year	103.35	*110.13*
	(8.35)	*22.80*
Total	**(8.51)**	***28.34***

30. Employee Benefits Expense

Accounting Policy

Defined contribution plans

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

Defined benefit plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods. Past service costs are recognised in statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises related restructuring costs

Notes to the Consolidated Financial Statements

30. Employee Benefits Expense *(Contd.)*

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

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

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

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

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

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Salaries and Wages	1,188.65	*1,058.21*
Contribution to Provident Fund [Refer Note 23 (1)]	84.26	*56.98*
Contribution to Superannuation Fund [Refer Note 23 (1)]	10.20	*10.77*
Gratuity [Refer Note 23 (2.3)]	25.48	*35.47*
Leave Encashment Scheme	8.86	*35.18*
Pension	5.98	*9.12*
Staff Welfare Expenses	162.41	*150.70*
	1,485.84	*1,356.43*
Less:		
Employee Cost Capitalised	93.08	*81.81*
Employee Cost Inventorised	10.84	*13.51*
	103.92	*95.32*
Total	**1,381.92**	***1,261.11***

Notes to the Consolidated Financial Statements

31. Finance Costs

Accounting Policy

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a) Interest Expense:		
Borrowings		
Interest on Debentures	1,054.83	*877.49*
Interest on - Euro Notes	13.01	*33.78*
Interest on Loans - Banks and Financial Institutions	2,150.26	*2,093.35*
Interest paid to Joint Ventures	44.95	*38.68*
Others		
Interest on Consumer Security Deposits	58.78	*51.84*
Other Interest and Commitment Charges	82.49	*52.42*
Interest on Non-convertible Cumulative Redeemable Preference Shares	35.50	*35.38*
	3,439.82	*3,182.94*
Less: Interest Capitalised	72.81	*54.15*
	3,367.01	*3,128.79*
(b) Other Borrowing Cost:		
Foreign Exchange Loss/(Gain) on Borrowings (Net)	248.18	*116.27*
Other Finance Costs	107.96	*119.90*
Less: Finance charges Capitalised	(0.16)	*Nil*
	355.98	*236.17*
Total	**3,722.99**	***3,364.96***

Note:

The weighted average capitalisation rate on the Company's general borrowings is in the range of 8.10% to 8.50% per annum (31st March, 2017 - 8.10% to 9.50% per annum).

Notes to the Consolidated Financial Statements

32. Other Expenses

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Consumption of Stores, Oil, etc.	145.77	*177.10*
Rental of Land, Buildings, Plant and Equipment, etc.	92.20	*110.03*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	114.92	*123.83*
(ii) To Machinery and Hydraulic Works	510.48	*414.75*
(iii) To Furniture, Vehicles, etc.	67.64	*72.82*
	693.04	*611.40*
Rates and Taxes	116.00	*86.66*
Insurance	74.32	*77.86*
Other Operation Expenses	427.12	*405.68*
Ash Disposal Expenses	50.13	*52.96*
Warranty Charges	13.65	*11.93*
Travelling and Conveyance Expenses	54.61	*55.54*
Consultants' Fees	72.56	*57.78*
Auditors' Remuneration	12.55	*17.88*
Cost of Services Procured	261.73	*223.18*
Bad Debts	0.35	*3.49*
Allowance for Doubtful Debts and Advances (Net)	12.74	*42.91*
Amortisation of premium paid for Leasehold Land	0.17	*16.90*
Provision for Losses	(0.21)	*(91.08)*
Net Gain/(Loss) on Foreign Exchange	114.10	*94.25*
MTM Profit on Investments carried at Fair value through Profit or loss	(0.61)	*Nil*
Loss on Sale of Investments in Joint Ventures accounted for using the Equity Method	Nil	*15.27*
Donations	4.84	*5.03*
Legal Charges	61.92	*53.14*
Corporate Social Responsibility Expenses	39.98	*51.04*
Impairment of Non-current assets held for sale	6.00	*34.00*
Excise Duty Paid	0.22	*(0.10)*
Transfer to Contingency Reserve	14.00	*14.00*
Marketing expenses	13.80	*11.07*
Miscellaneous Expenses	93.13	*79.84*
Total	**2,374.11**	***2,217.76***

Notes to the Consolidated Financial Statements

33. Income taxes

I Current Tax

Accounting Policy

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

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

1. Income taxes recognised in statement of profit and loss (Continuing Operations)

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current tax	663.69	*553.32*
Deferred tax	(837.89)	*(664.88)*
Total income tax expense recognised in the current year	**(174.20)**	***(111.56)***

2. Income taxes recognised in statement of profit and loss (Discontinued Operations)

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current tax	(17.36)	*3.71*
Deferred tax	3.23	*9.69*
Total income tax expense recognised in the current year	**(14.13)**	***13.40***

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

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Profit /(Loss) before tax Continuing Operation	2,915.16	*1,447.05*
Profit/(Loss) before tax Discontinued Operation	(85.87)	*16.44*
Profit/(Loss) before tax considered for tax working	**2,829.29**	***1,463.49***
Income tax expense calculated at 34.608%	979.16	*506.48*
***Add/(Less):* Tax effect on account of :**		
Share of profit of Associate and Joint venture	(537.78)	(424.22)
Unused tax credit (MAT) pertaining to earlier years recognized in the current year	(503.28)	*(660.54)*
Impairment of non current investment	(502.68)	*Nil*
Indexation benefit on investments held for sale (Refer Note 12. b. i.)	(387.40)	*Nil*
Deduction during tax holiday period	(188.02)	*(171.90)*
Unrecognised deferred tax asset on tax losses utilized	(81.63)	*(107.63)*
Exempt Income	(62.09)	*(139.40)*
Unrecognized Deferred Tax on losses	497.89	*295.15*
Profit taxable at different tax rates for certain subsidiaries	234.55	*(46.22)*
Unrecognized unused tax credit (MAT) for the current year	113.83	*226.90*
Reversal of deferred tax during tax holiday period	77.69	*(180.65)*
Dividend from Foreign subsidiaries (net of tax credits)	49.06	*117.94*
Non deductible expenses	44.30	*223.82*
Damages towards Contractual Obligation	37.06	*225.45*
Changes in income tax rate from 34.608% to 34.944%	7.45	*Nil*
Undistributed Profits	Nil	*61.68*
Other Items (including true up impact basis income tax returns)	33.56	*(25.02)*
Income tax expense recognised in statement of profit and loss	**(188.33)**	***(98.16)***
Tax expense for Continuing Operations	(174.20)	*(111.56)*
Tax expense for Discontinued Operations	(14.13)	*13.40*
Income tax expense recognised in statement of profit and loss	**(188.33)**	***(98.16)***

Notes to the Consolidated Financial Statements

33. Income taxes *(Contd.)*

Notes:

a. The tax rate used for the years 2017-18 and 2016-17 reconciliations above is the coporate tax rate of 34.608% payable by the Parent Company in India on taxable profits under the Indian tax law.

b. The Indian Companies have to pay taxes based on the higher of Income-tax profit of the company or MAT at 21.3416% of book profit for the year 2017-18 and 2016-17.

3. Income tax recognised directly in equity

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Effect of Distribution on Unsecured Perpetual Securities		
Current tax	(59.18)	*(59.26)*
Deferred tax	0.24	*0.46*
Income tax recognised directly in equity	**(58.94)**	***(58.80)***

4. Income tax recognised in other comprehensive income

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current tax		
Net gain on sale of investment in equity shares at FVTOCI	51.36	*38.55*
Less : Remeasurement of Defined Benefit Plan	(0.85)	*Nil*
	50.51	*38.55*
Deferred tax		
Net fair value gain on investments in equity shares at FVTOCI	(21.99)	*(0.12)*
Remeasurements of defined benefit obligation	0.12	*(4.36)*
Indexation benefit on investment held for sale (Refer Note 12. b. i.)	(370.00)	*Nil*
	(391.87)	*(4.48)*
Total income tax recognised in other comprehensive income	**(341.36)**	***34.07***
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to statement of profit and loss	(341.36)	*34.07*
	(341.36)	***34.07***

II Deferred Tax (Recoverable) / Payable

It represents deferred tax liabilities / (assets) required to be passed on to the consumers and its relates to :

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Non-Rate Regulated Activity (Transmission)	161.57	*(22.09)*
Rate Regulated Activity (Distribution) (Refer Note 18)	176.94	*484.11*
	338.51	***462.02***

Notes to the Consolidated Financial Statements

34. Commitments:

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for (including consumer funded assets):			
(i) the Group	797.80	*1,508.24*	*1,572.33*
(ii) Group's share of Joint Ventures	180.27	*99.29*	*739.35*
(iii) Group's share of Associates	Nil	*82.15*	*107.65*
(b) Other Commitments			
(i) The Group has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings	251.38	*341.88*	*442.61*
(ii) Vendor purchase commitments and contracts to provide future post sale services	385.63	*539.82*	*517.87*

(iii) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Limited (PFL), an associate of the Group, with the Government of India, PFL has contractually undertaken a "Surplus Land" obligation including agreeing to transfer 45% of the share capital of the Resulting Company, at Nil consideration, to the Government of India upon Demerger of the Surplus Land by Tata Communications Limited (TCL).

Based on its shareholding in Tata Communications Ltd. as on 31st March, 2018, PFL and the Group would be entitled to be allotted 34.80% of the share capital of the Resulting Company. Additionally, PFL has arrangements for procuring 13.05% of the share capital of the Resulting Company and it would need to acquire further shares representing 1.85% of the share capital of the Resulting Company.

(iv) In terms of the Port Service Agreement valid upto 31st March, 2040, the Group is required to pay fixed handling charges amounting to ₹ 194.29 crore *(31st March, 2017 - ₹ 191.00 crore)* per annum escalable as per CERC notification and variable port handling charges for handling a certain minimum tonnage of coal for its Mundra UMPP. In the event of a default which subsists for over one year, the Port Operator shall be entitled to suspend all its services under the agreement without terminating the agreement and all amount outstanding shall be payable by the Group.

Notes to the Consolidated Financial Statements

35. Contingent Liabilities

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
a) Contingent liabilities			
Claims against the Group not acknowledged as debts consists of			
(i) Demand including interest and penalty demand disputed by the Group relating to Entry tax claims for the financial years 2005-06 to 2013-14. [Refer Note (g) below]	2,035.18	*1,967.43*	*1,813.69*
(ii) Disallowance of carrying cost and other costs by Appellate Tribunal for Electricity (ATE) has been disputed by the Group. Based on legal opinions (the Group has a strong case), the Group has filed Special Leave Petition (SLP) with the Hon'ble Supreme Court.	269.00	*269.00*	*Nil*
(iii) Custom duty claims (including interest and penalty) disputed by the Group relating to applicability and classification of coal [Payment made under protest against these claims of ₹ 52.45 crore *(31st March, 2017 - ₹187.97 crore, 1st April, 2016 - ₹ 187.97 crore)*].	110.81	*246.33*	*246.33*
(iv) Demand disputed by the Group relating to Service tax on transmission charges collected for July 2012 to June 2017	402.45	*Nil*	*Nil*
(v) (a) Way Leave fees (including interest) claims disputed by the Group relating to rates charged	35.29	*84.18*	*72.58*
(b) Demand towards periodic revision in lease rent disputed by the Group	150.00	*150.00*	*Nil*
(vi) Rates, Cess, Excise and Custom Duty claims disputed by the Group.	396.32	*416.66*	*371.03*
(vii) Octroi claims disputed by the Group, in respect of octroi exemption claimed.	5.03	*5.03*	*5.03*
(viii) Compensation disputed by private land owners in respect of private land acquired under the provisions of Maharashtra Industrial Development Act, 1961.	22.00	*22.00*	*22.00*
(ix) Disputes relating to power purchase agreements	272.73	*246.47*	*1,538.68*
(x) Other Claims	177.92	*161.83*	*104.25*
Claims against the Group's share of Joint Ventures and Group's share of Associates not acknowledged as debts consists of			
Group's share of Joint Ventures			
(i) Demand for royalty payment is set-off against recoverable Value Added Tax (VAT) paid on inputs for coal production.	15.34	*17.93*	*2,545.19*
(ii) Other claims	38.63	*72.57*	*81.26*
Group's share of Associates			
Other claims	0.29	*539.03*	*366.42*
	3,930.99	***4,198.46***	***7,166.46***

Notes:

1 Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

2 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

3 The above Contingent Liabilities include those pertaining to Regulated Business which on unfavourable outcome can be recovered from consumers.

Notes to the Consolidated Financial Statements

35. Contingent Liabilities *(Contd.)*

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
b) Other Contingent Liabilities			
Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed)			
In case of the Group [including interest demanded ₹ 8.95 crore (*31st March, 2017 - ₹ 12.57 crore, 1st April, 2016 - ₹ 12.38 crore*)]	786.02	*428.25*	*396.34*
Group's share of Joint Ventures	Nil	*135.68*	*735.17*
Group's share of Associates	0.03	*466.23*	*531.02*

c) Indirect exposures of the Group

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
(i) Guarantees given to the lenders of Joint Ventures for the borrowings availed			
Tubed Coal Mines Limited	Nil	*11.36*	*11.36*
Mandakini Coal Company Limited	Nil	*20.26*	*20.26*
Cennergi Pty. Limited	Nil	*Nil*	*46.72 (equivalent to ZAR 104.72 million)*

	31st March, 2018 Nos.	*31st March, 2017 Nos.*	*1st April, 2016 Nos.*
(ii) The Group has pledged its shares of investments in joint ventures and others with the lenders for borrowings availed			
Joint Ventures:			
Powerlinks Transmission Limited	23,86,80,000	*23,86,80,000*	*23,86,80,000*
Industrial Energy Limited	25,13,48,400	*12,56,74,200*	*12,56,74,200*
Mandakini Coal Company Limited	2,00,43,000	*2,00,43,000*	*2,00,43,000*
Itezhi Tezhi Power Corporation	4,52,500	*4,52,500*	*4,52,500*
Others:			
Tata Teleservices Limited	Nil	*18,27,08,138*	*18,27,08,138*

Notes to the Consolidated Financial Statements

35 Contingent Liabilities *(Contd.)*

d) (i) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Group to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2018 the accumulated interest was ₹ 240.76 crore *(31st March, 2017 - ₹ 229.56 crore, 1st April, 2016 - ₹ 218.36 crore)* (₹ 11.20 crore for the year ended 31st March, 2018). On appeal, the Hon'ble Supreme Court vide its Interim Order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Group has furnished a bank guarantee of the sum of ₹ 227.00 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

Further, no adjustment has been made for the reversal in terms of the ATE Order dated 20th December, 2006, of Standby Charges credited in previous years estimated at ₹ 519.00 crore, which will be adjusted, wholly by a withdrawal/set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to R-Infra. Since 1st April, 2004, the Group has accounted Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Group is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged.

(ii) MERC vide its Tariff Order dated 11th June, 2004, had directed the Group to treat the investment in its wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Group's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the capital base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 35(d)(i) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 35(d)(i) above.

e) Rithala Power Generation Plant

For the period while Rithala plant was operational, DERC had provisionally allowed the power purchase cost at the rate equivalent to the UI rates for units generated during the time when the subsidiary company of the group was under-drawing from the grid and at average rate power purchased during the period when the subsidiary company was over-drawing from the grid, instead of the actual cost of generation up to FY 2012-13. Further, no recovery of fixed cost had been allowed for the period when plant was not operational due to non-availability of gas from April, 2013.

On 31st August, 2017, the DERC issued the Order fixing the operational norms like station heat rate, auxiliary consumption, plant load factor etc. as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 197.70 crore against ₹ 302.39 crore as per financial books of account. The subsidiary company has challenged the order in the APTEL on 17th October, 2017.

Further, in the Order, the DERC has also directed that the petitioner shall file true up petitions based on the applicable regulations for the aforesaid parameters for finalization of generation tariff for the respective years.

In compliance to the direction of filing true up petition up to FY 2016-17 for determination of tariff for power purchase from Rithala plant, the subsidiary company has filed the true up petition with the DERC on 3rd October, 2017. Pending true up of the said petition and disposal of the appeals, the subsidiary company has been continuing the billing from Rithala plant based on applicable regulations and adjusted a sum of ₹ 321.19 crore for the year ended 31st March, 2017. Further based on management's analysis and opinion of a legal expert, the management is of the view that Rithala plant's capital cost of ₹ 240 crore is likely to be approved by the APTEL and accordingly, the subsidiary company has adjusted a total sum of ₹ 67.89 crore towards Rithala billing (including carrying costs) and has recorded an impairment of ₹ 37.57 crore against the carrying value of the Rithala plant and from October 2017 onwards, the subsidiary company has been raising bill on capital cost of ₹ 240 crore.

The subsidiary company has not made any adjustment to the carrying amount of regulatory deferral asset of ₹ 657.47 crore (net of provision of ₹ 390.80 crore) based on the appeal filed by it against the Order of the Delhi Electricity Regulatory Commission (DERC) and supported by a legal opinion that the Order can be successfully challenged. The adjustment, including any consequent impact, if any, will be recorded on the final outcome of the matter.

f) The Group, in terms of the Share Purchase Agreement, as stated in Note 34 (b)(iii), has undertaken additional "Surplus Land" obligation towards the purchase of 11,40,000 shares of Tata Communications Ltd. by Tata Sons Limited from Panatone Finvest Ltd.

Notes to the Consolidated Financial Statements

35 Contingent Liabilities*(Contd.)*

g) The Group had received demands from various levels of sales tax departments in respect of entry tax on imports aggregating ₹ 2,256.91 crore (including interest of ₹ 653.05 crore and penalty of ₹ 743.74 crore) for financial years 2005-06 to 2013-14. The Group paid ₹ 221.73 crore under protest. The Hon'ble Bombay High Court upheld the levy, in respect of an appeal filed by the Group. The Group filed a Special Leave Petition against the above Order before the Hon'ble Supreme Court, which extended the interim stay granted by the Hon'ble Bombay High Court and requested to list the matter after pleadings are completed. The Management is of the view, supported by legal opinions, that the Group has a strong case on merits. Accordingly, ₹ 2,035.18 crore (including interest of ₹ 653.05 crore and penalty of ₹ 743.74 crore) will be accounted by the Group based on the final outcome of the matter [Refer Note No.36.(a)(i)].

h) Tariff Order for generation,operation at Maithon:

(i) The Central Electricity Regulatory Commission in its order dated 26th December, 2017 has passed an order truing up the tariff for the control period 2009-2014 and determined the tariff for the control period 2014-2019. The subsidiary company had raised the invoices on long term beneficiaries as per the CERC tariff order dated 19th November 2014. Pursuant to the recent Tariff Order dated 26th December 2017, the subsidiary company has made an adjustment amounting ₹ 122.50 crore to "Revenue from Operations". This comprises of ₹ 71.62 crore for period prior to 31st March, 2017 and ₹ 50.88 crore for the year ended 31st March, 2018.

(ii) The Central Electricity Regulatory Commission has allowed the ash disposal expenses as additional O&M for the period 2011-14. However the claim of additional O&M expenses for ash disposal for 2014-19 has not been considered at this stage and it has been linked with the petition of NTPC praying for recovery of additional expenditure of ash disposal and the same is pending for consideration of the commission. The commission has also requested to furnish the details of actual expenditure at the time of truing up. In view of this, the subsidiary company has created "Regulatory Assets" under other financial assets amounting to ₹ 141.62 crore as on 31st March, 2018 in the books for recovery of ash disposal expenses. This comprises of ₹ 108.48 crore for period prior to 31st March, 2017 and ₹ 233.13 crore for the year ended 31st March, 2018.

36. Other Disputes

In the matter of claims raised by the Group on R-Infra, towards (i) the difference in the energy charges for the period March 2001 to May 2004 and (ii) for minimum off-take charges of energy for the period 1998 to 2000, MERC has issued an Order dated 12th December, 2007 in favour of the Group. The total amount payable by R-Infra, including interest, is estimated to be ₹ 323.87 crore as on 31st December, 2007. ATE in its Order dated 12th May, 2008 on appeal by R-Infra, has directed R-Infra to pay the difference in the energy charges amounting to ₹ 34.98 crore for the period March 2001 to May 2004. In respect of the minimum off-take charges of energy for the period 1998 to 2000 claimed by the Group from R-Infra, ATE has directed MERC that the issue be examined afresh and after the decision of the Hon'ble Supreme Court in the Appeals relating to the distribution licence and rebates given by R-Infra. The Group and R-Infra had filed appeals in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Hon'ble Supreme Court, a sum of ₹ 25.00 crore and furnish bank guarantee of ₹ 9.98 crore. The Group had withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Group. On grounds of prudence, the Group has not recognised any income arising in respect of these matters.

37. Earnings Per Share (EPS)

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the group (after adjustment for income in respect of dilutive potential ordinary shares) by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to the Consolidated Financial Statements

37 Earnings Per Share (EPS) *(Contd.)*

Particulars	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
A. EPS - Continuing operations (excluding Regulatory Income)		
Profit from continuing operations	2,548.30	*893.51*
Regulatory expenses	(409.85)	*(301.44)*
Income-tax attributable to regulatory expenses	141.84	*104.32*
Regulatory expenses (Net of tax)	(268.01)	*(197.12)*
Net profit (excluding Regulatory Income)	2,816.31	*1,090.63*
Less: Distribution on Perpetual Securities (on accrual basis) (Net of tax)	(112.06)	*(112.06)*
Profit from continuing operations attributable to equity shareholders (excluding regulatory expenses)	**2,704.25**	978.57
Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	**270,76,05,570**
EPS - Continuing operations (excluding Regulatory Income) - Basic and Diluted (In ₹)	**9.99**	**3.62**

Particulars	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
B. EPS - Continuing operations (including Regulatory Income)		
Net profit for the year	2,548.30	*893.51*
Less: Distribution on Perpetual Securities (on accrual basis) (Net of tax)	(112.06)	*(112.06)*
Profit from continuing operations attributable to equity shareholders of parent	**2,436.24**	***781.45***
Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	**270,76,05,570**
EPS - Continuing operations (including Regulatory Income) - Basic and Diluted (In ₹)	**9.00**	**2.89**

Particulars	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
C. EPS - Discontinued operations		
Net (loss)/profit from Discontinued operations	**(71.74)**	***3.04***
Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
EPS - Discontinued operations - Basic and Diluted (In ₹)	**(0.26)**	***0.01***

Particulars	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
D. EPS - Total operations (including Regulatory Income)		
Net profit from total operations attributable to equity shareholders of parent (including Regulatory Income)	**2,364.50**	***784.49***
Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
EPS - Total operations (including Regulatory Income) - Basic and Diluted (In ₹)	**8.74**	**2.90**

Notes to the Consolidated Financial Statements

38. Related Party Disclosures:

Disclosure as required by Ind AS 24 - "Related Party Disclosures" are as follows:

Names of the related parties and description of relationship:

(a) Related parties where control exists:

(i) Employment Benefit Funds

1) Tata Power Superannuation Fund
2) Tata Power Gratuity Fund
3) Tata Power Consolidated Provident Fund
4) M/s Maithon Power Gratuity Fund (Fund)
5) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
6) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)

(b) Other related parties (where transactions have taken place during the year and previous year / balances outstanding) :

(i) Associates

1) Tata Projects Ltd.
2) Yashmun Engineers Ltd.
3) Dagachhu Hydro Power Corporation Limited
4) Tata Communications Limited
5) Nelito Systems Ltd.
6) Panatone Finvest Ltd.

(ii) Joint Venture Companies

1) Cennergi Pty. Ltd.
2) Mandakini Coal Company Ltd.
3) Tubed Coal Mines Ltd.
4) Itezhi Tezhi Power Corporation
5) Adjaristsqali Georgia LLC
6) LTH Milcom Private Limited
7) Powerlinks Transmission Ltd.
8) Industrial Energy Ltd.
9) Dugar Hydro Power Ltd.
10) Koromkheti Georgia LLC
11) PT Arutmin Indonesia
12) PT Kaltim Prima Coal
13) PT Mitratama Perkasa
14) PT Dwikarya Prima Abadi
15) Resurgent Power Ventures Pte Limited
16) PT Baramulti Sukessarana Tbk
17) PT Antang Gunung Meratus
18) Adjaristsqali Netherlands B.V.
19) Koromkheti Netherlands B.V.
20) Indocoal Resources (Cayman) Limited

(c) (i) Promoters holding together with its Subsidiary more than 20% — Tata Sons Ltd.

Notes to the Consolidated Financial Statements

38. Related Party Disclosures *(Contd.)*

(ii) Subsidiaries and Jointly Controlled Entities of Promoters (where transactions have taken place during the year and previous year / balances outstanding) :

1) Tata Business Support Services
2) Ewart Investments Limited
3) Tata Africa Holdings (SA) (Proprietary) Limited
4) Tata AG, Zug
5) Tata AIG General Insurance Company Limited
6) Tata Business Support Services Limited
7) Tata Capital Limited
8) Tata Consultancy Services Limited
9) Tata Consulting Engineers Limited
10) Tata Housing Development Company Limited
11) Tata Industries Limited
12) Tata Interactive Systems AG
13) Tata Investment Corporation Limited
14) Tata Realty and Infrastructure Limited
15) Tata Teleservices (Maharashtra) Limited (w.e.f. 02.02.2017)
16) Tata Teleservices Limited
17) TC Travel and Services Limited
18) THDC Management Services Limited (formerly THDC Facility Management ltd)
19) Tata Cleantech Capital Limited
20) Tata Sky Limited
21) Tata Capital Financial Services Limited
22) Tata International Limited
23) Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
24) C-Edge Technologies Limited
25) Tata Asset Management Limited
26) Infiniti Retail Limited
27) Tata Advanced Materials Limited

(d) Key Management Personnel

1) Anil Sardana - CEO & Managing Director
2) Ashok S. Sethi - COO & Executive Director
3) Ramesh N. Subramanyam - Chief Financial Officer
4) Hanoz Minoo Mistry - Company Secretary
5) N. Chandrasekaran (w.e.f. 11th February, 2017)
6) S. Padmanabhan (w.e.f. 16th December, 2016 upto 16th November, 2017)
7) R. Gopalakrishnan (upto 24th December, 2015)
8) Homiar S. Vachha (upto 22nd April, 2017)
9) Nawshir H. Mirza
10) Deepak M. Satwalekar
11) Piyush G. Mankad (upto 17th November, 2016)
12) Ashok K. Basu (upto 23rd March, 2017)
13) Pravin H. Kutumbe (upto 20th May, 2017)
14) Sandhya S. Kudtarkar (w.e.f. 16th April, 2016 upto 16th November, 2017)
15) Anjali Bansal (w.e.f. 14th October, 2016)
16) Vibha Padalkar (w.e.f. 14th October, 2016)
17) Sanjay V. Bhandarkar (w.e.f. 14th October, 2016)
18) Kesava Menon Chandrasekhar (w.e.f. 4th May, 2017)
19) Hemant Bhargava (w.e.f. 24th August, 2017)
20) Saurabh Agrawal (w.e.f. 17th November, 2017)
21) Banmali Agrawala (w.e.f. 17th November, 2017)
22) Cyrus P. Mistry (upto 19th December, 2016)

Notes to the Consolidated Financial Statements

38. Related Party Disclosures *(Contd.)*

(e) Details of Transactions:

₹ crore

Particulars	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Purchase of goods/power (Net of Discount Received on Prompt Payment)	124.42	3,480.26	-	-	0.10	-
	131.74	*3,316.92*	-	-	*0.03*	-
Sale of goods/power (Net of Discount on Prompt Payment)......................................	41.39	-	-	-	55.08	-
	51.18	-	-	-	*46.40*	-
Purchase of fixed assets...........................	1.80	-	-	-	20.72	-
	2.67	*0.01*	-	-	*7.75*	*6.77*
Rendering of services..............................	0.23	255.90	-	-	2.29	1.00
	14.04	*403.31*	-	-	*10.76*	*0.56*
Receiving of services................................	10.30	-	-	-	47.80	7.43
	21.17	-	-	-	*55.69*	*0.73*
Brand equity contribution.......................	-	-	-	-	-	35.70
	-	-	-	-	-	*19.66*
Contribution to Employee Benefit Plans	-	-	-	34.23	-	-
	-	-	-	*62.15*	-	-
Guarantee, collaterals etc. cancelled......	-	31.62 $	-	-	-	-
	-	*50.05 $*	-	-	-	-
Remuneration paid..................................	-	-	25.55 *	-	-	-
	-	-	*25.83 **	-	-	-
Interest income	-	2.41	-	-	-	-
	0.64	*22.98*	-	-	-	-
Interest paid..	-	28.64	-	-	14.95	-
	0.17	*38.68*	-	-	*16.28*	-
Dividend received.....................................	15.45	1,011.96	-	-	0.01	5.34
	12.52	*490.43*	-	-	-	-
Dividend paid	-	-	-	-	1.85	109.17
	-	-	-	-	*1.85*	*109.17*
Guarantee commission earned	-	1.28	-	-	-	-
	-	*1.23*	-	-	-	-
Loans given	-	0.07	-	-	2.90	-
	-	*59.21*	-	-	-	-
Impairement of Investments- Reversal ..	-	2,197.66	-	-	-	-
	-	-	-	-	-	-
Impairement of Investments	-	527.55	-	-	-	-
	-	-	-	-	-	-
Damages towards contractual obligation..	-	-	-	-	107.08	-
	-	-	-	-	*651.45*	-
Equity contribution (includes advance towards equity contribution and perpetual bonds)	-	-	-	-	-	-
	-	*0.15*	-	-	-	-

Notes to the Consolidated Financial Statements

38. Related Party Disclosures *(Contd.)*

(e) Details of Transactions:

₹ crore

Particulars		Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Sale of Investments		-	-	-	-	50.39	-
		-	-	-	-	-	*83.28*
Loans repaid (including loan converted into equity)		-	781.10	-	-	3.32	-
		-	*128.53*	-	-	-	-
Loans provided for as doubtful advances (including interest)		-	0.07	-	-	-	-
		-	*0.02*	-	-	-	-
Deposits taken		-	-	-	-	1.86	-
		0.81	-	-	-	*8.11*	-
Deposits refunded		-	-	-	-	1.15	-
		-	-	-	-	*7.74*	-
Deposit received back		-	-	-	-	-	-
		20.00	-	-	-	-	-
Purchase of Investments		-	106.22	-	-	54.35	-
		-	*38.17*	-	-	*0.20*	-
Loan taken		-	1,175.00	-	-	-	-
		-	*380.00*	-	-	-	-
Liability written back		0.51	-	-	-	0.01	-
		-	-	-	-	*0.10*	-
Balances outstanding							
Perpetual Securities Outsanding (including interest thereon)	2018	-	-	-	-	136.17	-
	2017	-	-	-	-	*136.17*	-
	2016	-	-	-	-	*136.21*	-
Other receivables	2018	1.14	78.44	-	1.41	2.19	-
	2017	*7.74*	*153.24*	-	*1.94*	*15.47*	-
	2016	*5.00*	*351.70*	-	*2.94*	*9.50*	-
Loans given (including interest thereon)	2018	-	803.68	-	-	0.55	-
	2017	*1.27*	*736.30*	-	-	*0.97*	-
	2016	*1.27*	*801.30*	-	-	*0.98*	-
Loans provided for as doubtful advances (including interest thereon)	2018	-	-	-	-	-	-
	2017	*1.27*	-	-	-	-	-
	2016	*1.27*	-	-	-	-	-
Deposits taken outstanding	2018	-	-	-	-	3.99	-
	2017	*1.53*	-	-	-	*9.33*	-
	2016	*0.72*	-	-	-	*8.99*	-
Deposits given outstanding	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	*20.00*	-	-	-	-	-

Notes to the Consolidated Financial Statements

38. Related Party Disclosures *(Contd.)*

(e) Details of Transactions:

₹ crore

Particulars		Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Dividend receivable	2018	-	35.80	-	-	-	-
	2017	-	-	-	-	-	-
	2016	-	*8.64*	-	-	-	-
Guarantees, collaterals etc. outstanding	2018	-	-	-	-	-	-
	2017	-	*31.62*	-	-	-	-
	2016	-	*78.34*	-	-	-	-
Letter of comfort outstanding	2018	-	0.05	-	-	-	-
	2017	-	*77.47*	-	-	-	-
	2016	-	*71.54*	-	-	-	-
Other payables	2018	5.45	2,182.64	-	-	39.74	36.00
	2017	*9.46*	*1,841.15*	-	*17.23*	*6.10*	*23.51*
	2016	*5.13*	*1,274.86*	-	*34.66*	*1.86*	*27.53*
Loans taken (including interest thereon)	2018	-	2,657.63	-	-	-	-
	2017	-	*2,296.95*	-	-	-	-
	2016	-	*2,147.46*	-	-	-	-

Notes:

$ Includes guarantees given and cancelled in foreign currency, converted in Indian currency by applying average exchange rates.

* Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Previous year's figures are in italics.

Notes to the Consolidated Financial Statements

39. Financial Instruments

39.1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying value			Fair Value		
	31st March, 2018 ₹ crore	31st March, 2017 ₹ crore	1st April, 2016 ₹ crore	31st March, 2018 ₹ crore	31st March, 2017 ₹ crore	1st April, 2016 ₹ crore
Financial assets						
Cash and Cash Equivalents	1,061.16	835.22	613.15	1,061.16	835.22	613.15
Other Balances with banks	124.62	119.08	50.01	124.62	119.08	50.01
Trade Receivables	2,978.98	4,020.04	3,730.24	2,978.98	4,020.04	3,730.24
Unbilled Revenues	810.09	1,081.92	842.64	810.09	1,081.92	842.64
Loans	797.15	732.60	800.64	797.15	732.60	800.64
Finance Lease Receivables	609.03	612.63	666.43	609.03	612.63	666.43
FVTPL Financial Investments #	428.43	1,010.18	339.76	428.43	1,010.18	339.76
FVTOCI Financial Investments #	487.35	980.56	1,378.48	487.35	980.56	1,378.48
Amortised Cost financial investments #	401.49	386.18	376.14	405.05	397.84	378.68
Derivative instruments not in hedging relationship	111.59	37.97	92.71	111.59	37.97	92.71
Other financial assets	1,930.87	2,059.11	1,356.19	1,930.87	2,059.11	1,356.19
Total	**9,740.76**	**11,875.49**	**10,246.39**	**9,744.32**	**11,887.15**	**10,248.93**
Financial liabilities						
Trade Payables	5,630.82	5,564.57	4,434.48	5,630.82	5,564.57	4,434.48
Floating rate borrowings (including current maturities)	38,774.37	38,440.13	33,619.63	38,774.37	38,440.13	33,619.63
Fixed rate borrowings (including current maturities)	9,814.87	10,375.28	5,228.96	9,838.38	10,610.60	5,285.99
Derivative instruments not in hedging relationship	457.67	944.51	937.23	457.67	944.51	937.23
Other financial liabilities	3,129.72	3,600.23	2,844.52	3,129.72	3,600.23	2,844.52
	57,807.45	**58,924.72**	**47,064.82**	**57,830.96**	**59,160.04**	**47,121.85**

other than investments accounted for Equity Method

Notes: Certain unquoted investments are not held for trading, instead they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe this provides a more meaningful presentation for medium and long- term strategic investments , then reflecting changes in fair value immediately in profit or loss.

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, finance lease receivables, unbilled revenues, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the unquoted equity shares have been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted equity investments
- The fair value of the remaining FVTOCI financial assets are derived from quoted market price in active markets.
- The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

39.1 Fair values *(Contd.)*

curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk. As at 31st March, 2018, the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The change in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

- The fair value of the Group's interest-bearing borrowing and loans are determined by using DCF method using discount rate that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as on 31st March, 2018 was assessed to be insignificant.
- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

Reconciliation of Level 3 fair value measurement of unquoted equity shares.

₹ crore

For the year ended 31st March, 2018	Unlisted shares irrevocably designated as at FVTOCI	Unlisted shares irrevocably designated as at FVTPL
Opening balance	778.09	0.14
Total Gain or (Loss)	(381.01)	0.01
Closing balance	397.08	0.15

₹ crore

For the year ended 31st March, 2017	*Unlisted shares irrevocably designated as at FVTOCI*	*Unlisted shares irrevocably designated as at FVTPL*
Opening balance	*1,007.93*	*0.15*
Total Gain or (Loss)	*(131.80)*	*(0.01)*
Held for Sale/Disposals/Settlements	*(98.04)*	*Nil*
Closing balance	*778.09*	*0.14*

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Investments in unquoted equity and preference shares	Price of recent transaction (PORT)	Transaction price	Varies on case to case basis	5% *(31st March, 2017: 5%; 1st April, 2016: 5%)* increase (decrease) in the transaction price would result in increase (decrease) in fair value by ₹ 2.82 crore *(31st March, 2017: ₹ 2.82 crore; 1st April, 2016: ₹ 7.73 crore)*

The discount for lack of marketability represents the amount that the Group has determined that market participants would take into account when pricing the investments.

39.2 Fair value hierarchy

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

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

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and unquoted borrowings (fixed and floating rate)

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

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

	Fair value hierarchy as at 31st March, 2018				
	Date of valuation	**Quoted prices in active markets (Level 1) ₹ crore**	**Significant observable inputs (Level 2) ₹ crore**	**Significant unobservable inputs (Level 3) ₹ crore**	**Total ₹ crore**
Asset measured at fair value					
FVTPL financial investments	31st March, 2018	428.28	Nil	0.15	428.43
FVTOCI financial investments:					
- Quoted equity shares	31st March, 2018	90.27	Nil	Nil	90.27
- Unquoted equity shares	31st March, 2018	Nil	Nil	397.08	397.08
Derivative instruments not in hedging relationship	31st March,2018	Nil	111.59	Nil	111.59
Asset for which fair values are disclosed					
Investment in Govt securities	31st March, 2018	405.05	Nil	Nil	405.05
Total		**923.60**	**111.59**	**397.23**	**1,432.42**
Liabilities measured at fair value					
Derivative financial liabilities	31st March, 2018	Nil	457.67	Nil	457.67
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2018	9,095.63	742.75	Nil	9,838.38
Floating rate borrowings	31st March, 2018	1,979.49	36,794.88	Nil	38,774.37
Total		**11,075.12**	**37,995.30**	**Nil**	**49,070.42**

	Fair value hierarchy as at 31st March, 2017				
	Date of valuation	***Quoted prices in active markets (Level 1) ₹ crore***	***Significant observable inputs (Level 2) ₹ crore***	***Significant unobservable inputs (Level 3) ₹ crore***	***Total ₹ crore***
Asset measured at fair value					
FVTPL financial investments	31st March, 2017	*1,010.04*	*Nil*	*0.14*	*1,010.18*
FVTOCI financial investments:					
- Quoted equity shares	31st March, 2017	*202.47*	*Nil*	*Nil*	*202.47*
- Unquoted equity shares	31st March, 2017	*Nil*	*Nil*	*778.09*	*778.09*
Derivative instruments not in hedging relationship	31st March, 2017	*Nil*	*37.97*	*Nil*	*37.97*
Asset for which fair values are disclosed					
Investment in Govt securities	31st March, 2017	*397.84*	*Nil*	*Nil*	*397.84*
Total		***1,610.35***	***37.97***	***778.23***	***2,426.55***
Liabilities measured at fair value					
Derivative financial liabilities	31st March, 2017	*Nil*	*944.51*	*Nil*	*944.51*
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2017	*9,979.38*	*631.22*	*Nil*	*10,610.60*
Floating rate borrowings	31st March, 2017	*1,992.07*	*36,448.06*	*Nil*	*38,440.13*
Total		***11,971.45***	***38,023.79***	**Nil**	***49,995.24***

Notes to the Consolidated Financial Statements

39. Financial Instruments (Contd.)

	Fair value hierarchy as at 1st April, 2016				
	Date of valuation	***Quoted prices in active markets (Level 1)* ₹ *crore***	***Significant observable inputs (Level 2)* ₹ *crore***	***Significant unobservable inputs (Level 3)* ₹ *crore***	***Total* ₹ *crore***
Asset measured at fair value					
FVTPL financial investments	1st April, 2016	*339.61*	*Nil*	*0.15*	*339.76*
FVTOCI financial investments:					
- Quoted equity shares	1st April, 2016	*370.55*	*Nil*	*Nil*	*370.55*
- Unquoted equity shares	1st April, 2016	*Nil*	*Nil*	*1,007.93*	*1,007.93*
Derivative instruments not in hedging relationship	1st April, 2016	*Nil*	*92.71*	*Nil*	*92.71*
Asset for which fair values are disclosed					
Investment in Govt securities	1st April, 2016	*378.68*	*Nil*	*Nil*	*378.68*
Total		***1,088.84***	***92.71***	***1,008.08***	***2,189.63***
Liabilities measured at fair value					
Derivative financial liabilities	1st April, 2016	*Nil*	*937.23*	*Nil*	*937.23*
Liabilities for which fair values are disclosed					
Fixed rate borrowings	1st April, 2016	*4,646.45*	*639.54*	*Nil*	*5,285.99*
Floating rate borrowings	1st April, 2016	*1,420.54*	*32,199.09*	*Nil*	*33,619.63*
Total		***6,066.99***	***33,775.86***	***Nil***	***39,842.85***

There has been no transfer between level 1 and level 2 during the period.

39.3 Capital Management & Gearing Ratio

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Group reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 60% and 75% at consolidated level. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Group's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows: **₹ crore**

	31st March, 2018	***31st March, 2017***	***1st April, 2016***
Debt (i)	49,396.99	*49,707.56*	*39,417.58*
Less: Cash and Bank balances	1,172.21	*941.68*	*651.69*
Net debt	48,224.78	*48,765.88*	*38,765.89*
Total Capital (ii)	16,760.20	*14,714.55*	*14,488.46*
Capital and net debt	**64,984.98**	***63,480.43***	***53,254.35***
Net debt to Total Capital plus net debt ratio (%)	74.21	*76.82*	*72.79*

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period except in the Coastal Gujarat Power UMPP project.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

39.4 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables, finance lease receivables and other financial assets that derive directly from its operations. The Group also holds FVTOCI/FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policy is approved by the board of directors, which are summarized below.

39.4.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments and FVTOCI investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2018, 31st March, 2017 and 1st April, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31st March, 2018. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

a. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk through its operations in international projects and purchase of coal from Indonesia and elsewhere and overseas borrowings. The results of the Group's operations can be affected as the rupee appreciates/depreciates against these currencies. The Group enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The following table analyzes foreign currency assets and liabilities on balance sheet dates:

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

Foreign Currency Liabilities	31st March, 2018 Foreign Currency (in Million)	31st March, 2018 ₹ crore	*31st March, 2017* Foreign Currency (in Million)	*31st March, 2017* ₹ crore	*1st April, 2016* Foreign Currency (in Million)	*1st April, 2016* ₹ crore
In USD	1,371.82	8,939.74	*1,770.54*	*11,481.98*	*1,467.22*	*9,719.95*
In EURO	0.93	7.54	*8.04*	*55.73*	*13.86*	*104.45*
In GBP	0.06	0.55	*3.63*	*29.38*	*8.17*	*77.98*
In JPY	26.68	1.66	*26.83*	*1.56*	*40.04*	*2.36*
In SGD	0.33	1.64	*0.45*	*2.89*	*0.57*	*3.78*
In ZAR	Nil	Nil	*Nil*	*Nil*	*0.11*	*0.75*
In AUD	Nil	Nil	*Nil*	*Nil*	*Nil*	*0.01*

Foreign Currency Assets	31st March, 2018 Foreign Currency (in Million)	31st March, 2018 ₹ crore	*31st March, 2017* Foreign Currency (in Million)	*31st March, 2017* ₹ crore	*1st April, 2016* Foreign Currency (in Million)	*1st April, 2016* ₹ crore
In USD	25.19	164.20	*4.52*	*29.33*	*9.03*	*59.82*
In EURO	0.10	0.79	*0.17*	*1.17*	*0.01*	*0.10*
In GBP	0.06	0.53	*0.06*	*0.46*	*Nil*	*Nil*
In ZAR	186.89	106.79	*187.69*	*90.65*	*61.29*	*27.21*
In SGD	0.34	1.70	*0.63*	*4.03*	*0.83*	*5.51*
In VND	Nil	Nil	*77.48*	*0.01*	*11.24*	*
In AUD	0.35	1.79	*0.26*	*1.71*	*0.60*	*3.98*
In IDR	Nil	Nil	*0.03*	*0.18*	*0.04*	*0.24*
In TAKA	0.21	0.02	*0.21*	*0.02*	*0.21*	*0.02*

Note:

* Denotes figures below ₹ 50,000/-

(i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

₹ crore

		Effect on profit before tax	Effect on pre-tax equity
As of 31st March 2018	Rupee depreciate by ₹ 1 against USD	(-) 59.18	*(-) 59.18*
	Rupee appreciate by ₹ 1 against USD	(+) 59.32	*(+) 59.32*
As of 31st March 2017	Rupee depreciate by ₹ 1 against USD	(-) 70.02	*(-) 70.02*
	Rupee appreciate by ₹ 1 against USD	(+) 69.64	(+) 69.64
As of 1st April, 2016	Rupee depreciate by ₹ 1 against USD	(-) 76.35	*(-) 76.35*
	Rupee appreciate by ₹ 1 against USD	(+) 77.68	(+) 77.68

Notes:

1) +/- Gain/Loss

2) The impact of depreciation/ appreciation on foreign currency other than USD on profit before tax of the Group is not material.

(ii) Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts

	Buy/Sell	31st March, 2018 Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
Other Derivatives				
Forward contract				
In USD	Buy	844.29	5,508.52	(134.33)
Option contract				
In USD	Buy	707.80	4,613.26	9.62

	Buy/Sell	*31st March, 2017 Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contract				
In USD	Buy	*1,172.65*	*7,604.66*	*(393.58)*
In EURO	Buy	*6.81*	*47.18*	*(1.10)*
In GBP	Buy	*3.25*	*26.27*	*(0.40)*
Option contract				
In USD	Buy	*420.90*	*2,729.54*	*(47.68)*

	Buy/Sell	*1st April, 2016 Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contract				
In USD	Buy	*499.00*	*3,305.75*	*(59.87)*
In EURO	Buy	*12.45*	*93.81*	*2.08*
In GBP	Buy	*8.06*	*76.94*	*(2.29)*
In SGD	Buy	*30.94*	*1.82*	*0.13*
Option contract				
In USD	Buy	*645.51*	*4,276.32*	*54.83*

Note:

Fair Value in () denotes liability.

b. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to keep upto 50% of its borrowings at fixed rates of interest. To manage this, the Group enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(i) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

₹ crore

	As at 31st March, 2018		*As at 31st March, 2017*	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(+) 108.54	(-) 108.54	*(+) 110.26*	*(-) 110.26*
Effect on profit before tax	(-) 108.54	(+) 108.54	*(-) 110.26*	*(+) 110.26*

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

(ii) Interest rate swap contracts:

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap. Interest rate swaps are the exchange of one set of cash flows for another.

The following table gives details in respect of outstanding receive floating pay fixed contracts:

₹ crore

		Less than 1 year	1 to 5 years	5 years +
31st March 2018	Nominal amounts	3,523.76	1,512.05	3,660.83
	Fair value assets (liabilites)	52.18	(12.04)	(261.51)
31st March 2017	Nominal amounts	*4,101.76*	*2,432.36*	*4,086.14*
	Fair value assets (liabilites)	*17.06*	*(51.18)*	*(429.66)*
1st April 2016	Nominal amounts	*2,699.59*	*1,906.66*	*5,316.60*
	Fair value assets (liabilites)	*(12.10)*	*(96.29)*	*(731.01)*

39.4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. The Group generally deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment as listed below:

₹ crore

	31st March 2018	*31st March 2017*	*1st April 2016*
Trade receivable	2,978.98	*4,020.04*	*3,730.24*
Loan	797.15	*732.60*	*800.64*
Finance Lease Receivables	609.03	*612.63*	*666.43*
Other financial assets	2,042.46	*2,097.08*	*1,448.90*
Unbilled Revenue	810.09	*1,081.92*	*842.64*
Total	**7,237.71**	***8,544.27***	***7,488.85***

Refer Note 7 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

The Group has not acquired any credit impaired asset. There was no modification in any financial assets.

Notes to the Consolidated Financial Statements

39. Financial Instruments *(Contd.)*

39.4.3 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ crore

	Upto 1 year	1 to 5 years	5+ years	Total	Carrying Value
31st March, 2018					
Non-Derivatives					
Borrowings #	20,983.72	23,726.67	26,371.09	71,081.48	49,396.99
Trade Payables	5,609.82	21.00	Nil	5,630.82	5,630.82
Other Financial Liabilities	1,608.66	210.80	502.51	2,321.97	2,321.97
Total Non-Derivative Liabilities	**28,202.20**	**23,958.47**	**26,873.60**	**79,034.27**	**57,349.78**
Derivatives					
Other Financial Liabilities	457.67	Nil	Nil	457.67	457.67
Total Derivative Liabilities	**457.67**	**Nil**	**Nil**	**457.67**	**457.67**
31st March, 2017					
Non-Derivatives					
Borrowings #	*17,343.21*	*24,250.76*	*28,590.49*	*70,184.46*	*49,707.56*
Trade Payables	*5,529.00*	*35.57*	*Nil*	*5,564.57*	*5,564.57*
Other Financial Liabilities	*2,157.14*	*48.43*	*502.51*	*2,708.08*	*2,708.08*
Total Non-Derivative Liabilities	***25,029.35***	***24,334.76***	***29,093.00***	***78,457.11***	***57,980.21***
Derivatives					
Other Financial Liabilities	*944.51*	*Nil*	*Nil*	*944.51*	*944.51*
Total Derivative Liabilities	***944.51***	***Nil***	***Nil***	***944.51***	***944.51***
1st April, 2016					
Non-Derivatives					
Borrowings #	*8,623.17*	*22,313.24*	*28,987.76*	*59,924.17*	*39,417.58*
Trade Payables	*4,401.36*	*33.12*	*Nil*	*4,434.48*	*4,434.48*
Other Financial Liabilities	*1,703.96*	*40.81*	*530.76*	*2,275.53*	*2,275.53*
Total Non-Derivative Liabilities	***14,728.49***	***22,387.17***	***29,518.52***	***66,634.18***	***46,127.59***
Derivatives					
Other Financial Liabilities	*937.23*	*Nil*	*Nil*	*937.23*	*937.23*
Total Derivative Liabilities	***937.23***	***Nil***	***Nil***	***937.23***	***937.23***

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Group. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The group expects to meet its obligation from operating cash flows and proceeds of maturing financial assets.

In case of borrowing availed by the Group for it's project at Mundra, the Group was unable to comply with certain financial covenants for the reported periods and accordingly non-current portion of ₹ 8,468.47 crore *(31st March, 2017 - ₹ 9,112.21 crore; 1st April, 2016 - ₹ 9,886.97 crore)* has been classified under current financial liabilities. However, expected maturity of above loan has been disclosed based on the original maturity terms of the borrowings.

Notes to the Consolidated Financial Statements

40. Segment Reporting:

Information reported to the Chief Operating Decisions Maker (CODM) for the purpose of resource allocation and assessment of segment performance focus on business segment which comprises of Power and Others.

Specifically, the Group's reportable segments under Ind AS are as follows:

Power : Comprises of Generation, Transmission, Distribution and assets relating to Power Business given on Finance Lease

Others: Comprises of Project Contracts/Infrastructure Management Services and Property Development

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

₹ crore

		Power	Others	Discontinued Operations *	Inter Segment	*Total*
REVENUE						
External Revenue		27,373.60	3,124.54	286.74	(1,576.77)	*29,208.11*
		25,425.42	*2,657.73*	*548.15*	*(797.00)*	*27,834.30*
RESULT						
Total Segment Results		3,647.12	175.32	-	-	*3,822.44*
		3,704.24	*256.70*	-	-	*3,960.94*
Finance Costs						(3,722.99)
						(3,364.96)
Exceptional Item - Power Business						(460.51)
						-
Exceptional Item - Unallocable						1,563.04
						(651.45)
Unallocable Income net of Unallocable Expense						159.27
						276.73
Share of Profit of Associates and Joint Ventures accounted for using the Equity Method						1,553.91
						1,225.79
Profit before tax - continuing operations						**2,915.16**
						1,447.05
Profit before tax - discontinued operations *						**(85.87)**
						16.44
Income Taxes - continuing operations						(164.31)
						(350.46)
Income Taxes - discontinued operations *						14.13
						(13.40)
Profit after tax						**2,679.11**
						1,099.63
OTHER INFORMATION						
Segment Assets	2018	62,865.90	1,811.68	-	-	64,677.58
	2017	*63,128.51*	*4,116.79*	-	-	*67,245.30*
	2016	*53,803.21*	*3,117.77*	-	-	*56,920.98*
Unallocable Assets	2018					16,994.51
	2017					*15,675.49*
	2016					*13,911.73*
Assets classified as held for sale (Refer Note 17c)	2018					2,065.19
	2017					-
	2016					-
Total Assets	2018					**83,737.28**
	2017					**82,920.79**
	2016					***70,832.71***

Notes to the Consolidated Financial Statements

40. Segment Reporting *(Contd.)*

₹ crore

		Power	Others	Discontinued Operations *	Inter Segment	*Total*
Segment Liabilities	2018	11,787.24	1,222.44	-	-	13,009.68
	2017	*11,970.88*	*1,465.82*	-	-	*13,436.70*
	2016	*10,824.44*	*1,096.15*	-	-	*11,920.59*
Unallocable Liabilities	2018					51,074.55
	2017					*52,900.55*
	2016					*42,673.85*
Liabilities classified as held for sale (Refer Note 17c)	2018					877.56
	2017					-
	2016					-
Total Liabilities	2018					**64,961.79**
	2017					***66,337.25***
	2016					***54,594.44***
Capital Expenditure		3,222.13	95.07	*233.14*	-	*3,550.34*
		2,970.00	*80.33*	*271.94*	-	*3,322.27*
Non-cash Expenses other than Depreciation/Amortisation (to the extent allocable to segment)		7.57	19.65	-	-	*27.22*
		27.36	*50.69*	-	-	*78.05*
Depreciation/Amortisation (to the extent allocable to segment)		2,311.77	86.33	-	-	*2,398.10*
		1,906.07	*82.52*	-	-	*1,988.59*

RECONCILIATION OF REVENUE

₹ crore

	Power	Others	Discontinued Operations *	Inter Segment	*Total*
REVENUE					
Revenue from Operations	27,783.45	3,124.54	286.74	(1,576.77)	*29,617.96*
	25,726.86	*2,657.73*	*548.15*	*(797.00)*	*28,135.74*
Add/(Less): Regulatory income/(expense) (net)	(409.85)	-	-	-	*(409.85)*
	(378.44)	-	-	-	*(378.44)*
Add/(Less): Regulatory income/(expense) (net) in respect of earlier years	-	-	-	-	-
	77.00	-		-	*77.00*
Total Segment Revenue as reported above	27,373.60	3,124.54	286.74	(1,576.77)	*29,208.11*
	25,425.42	2,657.73	548.15	(797.00)	*27,834.30*

* Refer Note 17c

Notes:

1. Comparative figures for Statement of Profit and Loss items are for the year ended 31st March, 2017 and Balance Sheet items are as on 31st March, 2017 and 1st April, 2016.
2. There is no single customer which accounts for more than 10% of the group's total income.
3. Previous period/year's figures are in italics which are restated.

Notes to the Consolidated Financial Statements

40. Segment Reporting *(Contd.)*

Reconciliation of Assets & Liabilities	As at 31st March,2018 ₹ crore	*As at 31st March,2017# ₹ crore*	*As at 1st April,2016# ₹ crore*
Segment Operating Liabilities ...[A]	13,009.68	*13,436.70*	*11,920.59*
Unallocable Liabilities			
Non-current borrowings	22,339.31	*25,114.51*	*22,370.58*
Current maturities of long term debt	7,391.17	*7,377.31*	*1,802.50*
Deferred tax liabilities (net)	516.56	*1,751.14*	*2,096.86*
Unpaid Dividend	17.85	*16.53*	*14.99*
Dividend Tax on Preference Shares	12.33	*Nil*	*12.21*
Short-term borrowings	18,827.28	*16,279.79*	*14,588.91*
Fair Value of Foreign Exchange Forward and Option Contracts	457.67	*944.51*	*937.23*
Interest accrued but not due on borrowings	807.75	*892.15*	*568.99*
Other Unallocable Liabilities	704.63	*524.61*	*281.58*
Total Unallocable Liabilities ...[B]	51,074.55	*52,900.55*	*42,673.85*
Add: Liabilities classified as held for sale ...[C]	877.56	*Nil*	*Nil*
Total Liabilities ...[A]+[B]+[C]	**64,961.79**	***66,337.25***	***54,594.44***
Segment Operating Assets ...[A]	64,677.58	*67,245.30*	*56,920.98*
Unallocable Assets			
Non-current investments	11,992.77	*10,775.23*	*11,362.83*
Deferred tax assets (net)	83.24	*91.53*	*3.20*
Other Loans and Advances to related parties	789.05	*724.32*	*792.67*
Advance Tax	182.36	*178.03*	*113.61*
Loans to employees	8.10	*8.28*	*7.97*
Current investments	436.16	*1,097.78*	*335.95*
Fixed deposit with banks	250.72	*468.37*	*130.73*
Assets Classified as Held For Sale	2,687.29	*1,919.47*	*1,122.24*
Other Unallocable Assets	564.82	*412.48*	*42.53*
Total Unallocable Assets ...[B]	16,994.51	*15,675.49*	*13,911.73*
Add: Assets classified as held for sale ...[C]	2,065.19	*Nil*	*Nil*
Total Assets ...[A]+[B]+[C]	**83,737.28**	***82,920.79***	***70,832.71***

Notes to the Consolidated Financial Statements

40. Segment Reporting *(Contd.)*

Reconciliation of Profit

		For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017# ₹ crore*
Segment Profit	[A]	3,822.44	*3,960.94*
Unallocable Income/(Expense):			
Other Income		432.69	*585.90*
Employee Benefit Expenses		(14.91)	*(20.35)*
Depreciation and Amortisation		(0.02)	*(0.03)*
Other Expenses		(258.49)	*(288.79)*
Total	(B)	**159.27**	***276.73***
(Less) : Finance Cost	[C]	(3,722.99)	*(3,364.96)*
Add: Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method	(D)	1,553.91	*1,225.79*
Add/(Less) : Exceptional Items			
Impairment of Property, Plant & Equipment		(149.57)	*Nil*
Impairment of Non-current Investments		1,359.18	*Nil*
Damages Towards Contractual Obligation		(107.08)	*(651.45)*
Total	(E)	**1,102.53**	***(651.45)***
Profit/(Loss) Before Tax Continuing Operations	[A]+[B]+[C]+[D]+[E]	2,915.16	*1,447.05*
Profit/(Loss) Before Tax Discontinued Operations		(85.87)	*16.44*
Profit Before Taxes		**2,829.29**	***1,463.49***
Add/(Less): Tax Expense		(150.18)	*(363.86)*
Profit/(Loss) for the year		**2,679.11**	***1,099.63***

Geographical Information

The Group operates in two principal geographical areas - Domestic and Overseas

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below

₹ crore

Geographical Segment		**Domestic**	**Overseas**	**Total**
Revenue from External Customers	2018	28,493.54	427.82	28,921.36
	2017	*27,041.49*	*246.76*	*27,288.25*
	2016	*28,372.68*	*152.98*	*28,525.66*
Segment Assets:				
Non Current Assets	2018	49,542.01	1,225.99	50,768.00
	2017	*50,677.43*	*1,283.55*	*51,960.98*
	2016	*40,358.69*	*1,190.88*	*41,549.57*
Current Assets	2018	7,349.53	255.49	7,605.02
	2017	*8,072.66*	*100.31*	*8,172.97*
	2016	*7,347.59*	*102.54*	*7,450.13*
Regulatory Deferral Account - Assets	2018	6,304.56	-	6,304.56
	2017	*7,117.70*	-	*7,117.70*
	2016	*7,921.28*	-	*7,921.28*
Unallocable Assets	2018			19,059.70
	2017			*15,669.14*
	2016			*13,911.73*
Total Assets	2018			***83,737.28***
	2017			***82,920.79***
	2016			***70,832.71***
Capital Expenditure		3,550.28	0.06	3,550.34
		3,141.46	*180.81*	*3,322.27*

Note:

Previous period/year's figures are in italics which are restated.

Notes to the Consolidated Financial Statements

41. Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

42. Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated total income	Amount (₹ crore)	As % of consolidated profit	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Tata Power Company Ltd.#	35.45	14,488.53	23.73	8,516.68	840.01	(3,150.52)	50.48	44.94	1,085.84	(3,105.58)
Indian Subsidiaries										
Nelco Ltd. (Consolidated) [1]	0.08	33.77	0.43	154.55	(3.23)	12.11	(0.24)	(0.21)	(4.16)	11.90
Af-Taab Investment Co. Ltd.	0.63	255.53	0.08	29.68	(5.56)	20.84	28.14	25.06	(16.05)	45.90
Tata Power Trading Co. Ltd.	0.38	156.39	10.28	3,691.94	(4.00)	14.99	0.39	0.35	(5.36)	15.34
Maithon Power Ltd.	4.86	1,983.02	6.38	2,289.19	(48.44)	181.69	(0.06)	(0.05)	(63.51)	181.64
Coastal Gujarat Power Ltd.	8.29	3,383.88	17.78	6,385.31	458.93	(1,721.31)	1.68	1.50	601.32	(1,719.81)
Tata Power Delhi Distribution Ltd.	7.23	2,953.64	21.07	7,564.57	(81.55)	305.88	0.22	0.20	(107.02)	306.08
Tata Power Jamshedpur Distribution Ltd.	-	(1.50)	-	0.07	-	(0.01)	-	-	-	(0.01)
Industrial Power Utility Ltd.	-	*	-	*	-	*	-	-	-	*
Tata Power Renewable Energy Ltd.	12.49	5,100.59	1.86	667.81	(53.69)	201.39	0.35	0.31	(70.52)	201.70
Tata Power Solar Systems Ltd.	1.05	428.06	7.66	2,751.66	(26.78)	100.43	3.69	3.29	(36.27)	103.72
NDPL Infra Ltd.	0.04	15.60	0.03	10.40	(1.14)	4.28	-	-	(1.50)	4.28
Tata Power Green Energy Ltd.	-	0.01	-	-	-	(0.01)	-	-	-	(0.01)
Indo Rama Renewables Jath Ltd.	0.13	55.07	0.09	33.11	(0.22)	0.84	-	-	(0.29)	0.84
Tata Ceramics Ltd.	(0.03)	(12.74)	0.10	37.29	1.66	(6.23)	(0.12)	(0.11)	2.22	(6.34)
Supa Windfarm Ltd.	-	0.03	-	-	-	(0.01)	-	-	-	(0.01)
Poolavadi Windfarm Ltd.	-	0.04	-	-	-	*	-	-	-	*
Nivade Windfarm Ltd.	-	0.03	-	-	-	(0.01)	-	-	-	(0.01)
Vagarai Windfarm Ltd.	(0.01)	(5.26)	0.01	3.58	1.54	(5.79)	-	-	2.02	(5.79)
TP Ajmer Distribution Ltd.	(0.01)	(3.71)	0.69	246.10	1.03	(3.88)	0.18	0.16	1.30	(3.72)
Chirasthaayee Saurya Ltd.	(0.01)	(5.65)	0.05	18.34	1.58	(5.93)	-	-	2.07	(5.93)
Walwhan Renewable Energy Ltd. (Consolidated) [2]	4.61	1,883.24	3.38	1,214.26	(61.98)	232.46	0.15	0.13	(81.32)	232.59
Foreign Subsidiaries										
Bhira Investments Ltd.	1.70	694.18	2.65	950.48	(613.95)	2,302.76	20.06	17.87	(811.40)	2,320.63
Bhivpuri Investments Ltd.	2.19	894.03	-	*	1.85	(6.94)	3.41	3.04	1.36	(3.90)
Khopoli Investments Ltd.	0.69	282.69	0.17	61.05	3.55	(13.33)	1.50	1.34	4.19	(11.99)
Trust Energy Resources Pte. Ltd.	2.70	1,102.81	2.03	727.70	(53.44)	200.43	6.78	6.04	(72.19)	206.47
Energy Eastern Pte. Ltd.	0.09	35.02	0.95	340.97	(2.60)	9.75	0.11	0.10	(3.44)	9.85
PT Sumber Energi Andalan Tbk.	0.03	10.61	-	-	-	-	-	-	-	-
Tata Power International Pte. Ltd.	(0.34)	(140.85)	0.58	209.72	164.25	(616.06)	(5.12)	(4.56)	217.00	(620.62)
Indian Associates										
Nelito Systems Ltd.	0.03	10.45	-	-	-	-	-	-	-	-
Panatone Finvest Ltd.	0.68	277.27	-	-	(0.71)	2.65	0.90	0.80	(1.21)	3.45
Yashmun Engineers Ltd.	0.01	3.19	-	-	-	*	-	-	-	*
Tata Communication Ltd.	0.19	77.16	-	-	(0.27)	1.01	0.35	0.31	(0.46)	1.32
Tata Projects Ltd.	1.26	513.37	-	-	(9.89)	37.09	0.11	0.10	(13.00)	37.19

Notes to the Consolidated Financial Statements

42. Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests *(Contd.)*

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated total income	Amount (₹ crore)	As % of consolidated profit	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Foreign Associates										
Dagachhu Hydro Power Corporation Ltd.	0.24	98.09	-	-	3.05	(11.43)	-	-	4.00	(11.43)
Indian Jointly Controlled Entities										
Powerlinks Transmission Ltd.	1.08	440.12	-	-	(16.95)	63.58	0.10	0.09	(22.26)	63.67
Industrial Energy Ltd.	1.36	556.60	-	-	(9.94)	37.27	0.24	0.21	(13.10)	37.48
Dugar Hydro Power Ltd.	0.06	23.64	-	-	0.02	(0.09)	-	-	0.03	(0.09)
Tubed Coal Mines Ltd.	-	-	-	-	(2.11)	7.93	-	-	(2.77)	7.93
Mandakini Coal Company Ltd.	(0.14)	(57.19)	-	-	-	-	-	-	-	-
Gamma Land Holding Ltd.	-	(0.01)	-	-	-	-	-	-	-	-
Solace Land Holding Ltd.	-	-	-	-	-	-	-	-	-	-
Beta Land Holdings Ltd.	-	(0.03)	-	-	-	-	-	-	-	-
Ginger Land Holdings Ltd	-	-	-	-	-	-	-	-	-	-
Foreign Jointly Controlled Entities										
Cennergi Pty. Ltd. (Consolidated) [3]	0.40	162.92	-	-	6.17	(23.16)	(28.84)	(25.69)	17.08	(48.85)
PT Mitratama Perkasa (Consolidated) [4]	1.88	767.48	-	-	-	-	4.31	3.84	(1.34)	3.84
PT Arutmin Indonesia	1.63	665.10	-	-	-	-	3.74	3.33	(1.16)	3.33
PT Kaltim Prima Coal	1.83	747.78	-	-	(290.51)	1,089.64	(6.29)	(5.60)	(379.03)	1,084.04
Indocoal Resources (Cayman) Ltd.	1.60	653.59	-	-	(2.94)	11.02	3.76	3.35	(5.02)	14.37
PT Indocoal Kalsel Resources	-	0.31	-	-	-	*	0.01	0.01	-	0.01
PT Indocoal Kaltim Resources	-	0.41	-	-	-	*	0.01	0.01	-	0.01
Candice Investments Pte. Ltd.	0.09	38.09	-	-	(1.05)	3.92	0.09	0.08	(1.40)	4.00
PT Nusa Tambang Pratama	2.35	959.64	-	-	(49.90)	187.18	6.71	5.98	(67.54)	193.16
PT Marvel Capital Indonesia	-	0.19	-	-	-	*	-	-	-	*
PT Dwikarya Prima Abadi	0.57	231.49	-	-	(1.34)	5.02	1.35	1.20	(2.17)	6.22
PT Kalimantan Prima Power (Consolidated) [5]	0.43	173.77	-	-	4.61	(17.28)	0.83	0.74	5.78	(16.54)
PT Baramulti Sukessarana Tbk (Consolidated) [6]	0.71	289.16	-	-	(38.20)	143.29	2.04	1.82	(50.74)	145.11
Adjaristsqali Netherlands BV (Consolidated) [7]	0.88	359.65	-	-	0.73	(2.75)	3.73	3.32	(0.20)	0.57
Koromkheti Netherlands BV (Consolidated) [8]	(0.07)	(27.21)	-	-	(0.90)	3.39	(5.89)	(5.25)	0.65	(1.86)
Itezhi Tezhi Power Corporation	0.66	268.82	-	-	(11.17)	41.90	1.31	1.17	(15.06)	43.07
Resurgent Power Ventures Pte. Ltd.	0.03	11.60	-	-	3.50	(13.14)	(0.17)	(0.15)	4.65	(13.29)
Indocoal KPC Resources (Cayman) Ltd.	-	0.25	-	-	(0.02)	0.07	-	-	(0.02)	0.07
	100.00	**40,832.76**	**100.00**	**35,904.46**	**100.00**	**(375.07)**	**100.00**	**89.07**	**100.00**	**(286.00)**

Notes to the Consolidated Financial Statements

42 Statement of Net Assets and Profit and Loss attributable to Owners and Minority Interest *(Contd.)*

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated total income	Amount (₹ crore)	As % of consolidated profit	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
a) Adjustments arising out of consolidation		(20,041.98)		(6,263.65)		3,054.18		4.92		3,059.10
b) Non-Controlling Interest										
Indian Subsidiaries										
Nelco Ltd. (Consolidated) [1]		(16.17)				(6.05)		0.10		(5.95)
Maithon Power Ltd.		(515.12)				(43.95)		0.01		(43.94)
Tata Power Delhi Distribution Ltd.		(1,447.28)				(148.77)		(0.10)		(148.87)
NDPL Infra Ltd.		(7.62)				(2.10)		-		(2.10)
Walwhan Renewable Energy Ltd. (Consolidated)[3]		-				(1.82)		-		(1.82)
Vagarai Windfarm Ltd.		-				0.14		-		0.14
Foreign Subsidiaries										-
PT Sumber Energi Andalan Tbk.		(0.43)				-		-		-
Foreign Jointly Controlled Entities										
PT Mitratama Perkasa (Consolidated) [3]		(28.67)				-		-		-
		(2,015.29)				(202.55)		0.01		(202.54)
Consolidated Net Assets / Profit after tax		**18,775.49**		**29,640.81**		**2,476.56**		**94.00**		**2,570.56**

* denotes figures below ₹ 50,000/-

includes Discontinued Operations

Notes:

1. Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
2. Accounts of all subsidaries of Walwhan Renewable Energy Ltd. [Refer Note 2.5] have been consolidated with Walwhan Renewable Energy Ltd.
3. Accounts of Amakhala Emoyeni RE Project 1 (Pty) Ltd. and Tsitsikamma Community Wind Farm (Pty) Ltd. have been consolidated with Cennergi Pty. Ltd.
4. Accounts of PT Mitratama Usaha have been consolidated with PT Mitratama Perkasa.
5. Accounts of PT Citra Prima Buana, PT Guruh Agung and PT Citra Kusuma Perdana have been consolidated with PT Kalimantan Prima Power.
6. Accounts of PT Antang Gunung Meratus have been consolidated with PT Baramulti Sukessarana Tbk.
7. Accounts of Adjaristsqali Georgia LLC have been consolidated with Adjaristsqali Netherlands BV.
8. Accounts of Koromkheti Georgia LLC have been consolidated with Koromkheti Netherlands BV.
9. Chemical Terminal Trombay Ltd. Is merged with The Tata Power Company Limited during the year.

Notes to the Consolidated Financial Statements

42. Sumarised Financial Information of Material Non Controlling Interests

A Maithon Power Limited

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	3,913.06	*4,070.65*	*4,288.85*
Current Assets	774.35	*930.07*	*857.22*
Non-current Liabilities	(1,980.71)	*(2,161.95)*	*(2,469.57)*
Current Liabilities	(723.68)	*(958.27)*	*(900.84)*
	1,983.02	***1,880.50***	***1,775.66***

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue	2,270.41	*2,404.82*
Profit for the year	181.69	*255.81*
Other Comprehensive Income/(Expense) for the year	(0.05)	*(0.07)*
Total Comprehensive Income for the year	**181.64**	***255.74***
Dividends paid during the year	20.57	*39.23*

B Tata Power Delhi Distribution Ltd.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current Assets	4,016.22	*3,803.49*	*3,488.26*
Current Assets	1,189.60	*839.29*	*1,233.49*
Regulatory Deferral Account Debit Balances	4,399.85	*4,573.70*	*4,720.14*
Non-current Liabilities	(4,140.92)	*(4,167.60)*	*(4,517.68)*
Current Liabilities	(2,511.11)	*(2,361.45)*	*(2,338.60)*
	2,953.64	***2,687.43***	***2,585.61***

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Revenue including Regulatory income/(expense)	7,549.64	*7,122.85*
Profit for the year	305.88	*262.13*
Other Comprehensive Income/(Expense) for the year	0.20	*(0.86)*
Total Comprehensive Income for the year	**306.08**	***261.27***
Dividends paid during the year	19.53	*78.13*

Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016

Consolidated Balance Sheet as at 31st March, 2017

	Note	Reported Amount As at 31st March, 2017 ₹ crore	Restatements ₹ crore	Restated Amount As at 31st March, 2017 ₹ crore
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	1	43,012.62	220.31	43,232.93
(b) Capital Work-in-Progress		1,923.24	Nil	1,923.24
(c) Investment Property		2.49	Nil	2.49
(d) Goodwill	10, 11	1,732.48	(78.91)	1,653.57
(e) Other Intangible Assets		1,705.80	Nil	1,705.80
(f) Intangible Assets under Development		254.68	Nil	254.68
(g) Investments accounted for using the Equity Method	9	9,580.09	(84.00)	9,496.09
(h) Financial Assets				
(i) Other Investments		1,279.14	Nil	1,279.14
(ii) Trade Receivables		187.92	Nil	187.92
(iii) Loans		77.16	Nil	77.16
(iv) Finance Lease Receivables		573.47	Nil	573.47
(v) Other Financial Assets	2, 3	872.68	311.00	1,183.68
(i) Non-current Tax Assets (Net)		146.35	Nil	146.35
(j) Deferred Tax Assets (Net)		91.53	Nil	91.53
(k) Other Non-current Assets	1	1,507.55	(220.31)	1,287.24
Total Non-current Assets		**62,947.20**	**148.09**	**63,095.29**
Current Assets				
(a) Inventories		1,599.56	Nil	1,599.56
(b) Financial Assets				
(i) Investments		1,097.78	Nil	1,097.78
(ii) Trade Receivables		3,832.12	Nil	3,832.12
(iii) Unbilled Revenue		1,081.92	Nil	1,081.92
(iv) Cash and Cash Equivalents		835.22	Nil	835.22
(v) Bank Balances other than (iv) above		119.08	Nil	119.08
(vi) Loans		655.44	Nil	655.44
(vii) Finance lease receivables		39.16	Nil	39.16
(viii) Other financial assets		913.40	Nil	913.40
(c) Current Tax Assets (Net)		31.68	Nil	31.68
(d) Other Current Assets		582.97	Nil	582.97
Total Current Assets		**10,788.33**	**Nil**	**10,788.33**
Assets Classified as Held For Sale		1,919.47	Nil	1,919.47
Total Assets before Regulatory Deferral Account		**75,655.00**	**148.09**	**75,803.09**
Regulatory Deferral Account - Assets	2, 3	**6,481.35**	**636.35**	**7,117.70**
TOTAL ASSETS		**82,136.35**	**784.44**	**82,920.79**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		270.50	Nil	270.50
(b) Unsecured Perpetual Securities		1,500.00	Nil	1,500.00
(c) Other Equity	2, 3, 4, 9	11,508.97	1,435.08	12,944.05
Equity attributable to Shareholders of the Company		**13,279.47**	**1,435.08**	**14,714.55**
Non-controlling Interests		**1,868.99**	**Nil**	**1,868.99**
Total Equity		**15,148.46**	**1,435.08**	**16,583.54**
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		25,142.96	Nil	25,142.96
(ii) Trade Payables		35.57	Nil	35.57
(iii) Other Financial Liabilities	8	542.89	8.05	550.94
(b) Provisions		270.68	Nil	270.68
(c) Deferred Tax Liabilities (Net)	11	1,759.83	(8.69)	1,751.14
(d) Non-current Tax Liabilities (Net)		3.74	Nil	3.74
(e) Other Non-current Liabilities	8	3,086.70	(8.05)	3,078.65
Total Non-current Liabilities		**30,842.37**	**(8.69)**	**30,833.68**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		16,279.79	Nil	16,279.79
(ii) Trade Payables		5,529.00	Nil	5,529.00
(iii) Other Financial Liabilities	10	11,456.68	(70.22)	11,386.46
(b) Provisions		207.69	Nil	207.69
(c) Current Tax Liabilities (Net)	3	40.04	82.00	122.04
(d) Other Current Liabilities	4	1,976.32	(660.08)	1,316.24
Total Current Liabilities		**35,489.52**	**(648.30)**	**34,841.22**
Total Liabilities before Regulatory Deferral Account		**66,331.89**	**(656.99)**	**65,674.90**
Regulatory Deferral Account - Liability	2	**656.00**	**6.35**	**662.35**
TOTAL EQUITY AND LIABILITIES		**82,136.35**	**784.44**	**82,920.79**

Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Consolidated Balance Sheet as at 1st April, 2016

	Note	Reported Numbers As at 1st April, 2016 ₹ crore	Restatements ₹ crore	Restated Numbers As at 1st April, 2016 ₹ crore
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	1	36,100.84	222.69	36,323.53
(b) Capital Work-in-Progress		1,134.16	Nil	1,134.16
(c) Investment Property		2.57	Nil	2.57
(d) Goodwill		5.54	Nil	5.54
(e) Other Intangible Assets		307.34	Nil	307.34
(f) Intangible Assets under Development		210.75	Nil	210.75
(g) Investments accounted for using the Equity Method	9	9,688.40	(84.00)	9,604.40
(h) Financial Assets				
(i) Other Investments		1,758.43	Nil	1,758.43
(ii) Trade Receivables		190.00	Nil	190.00
(iii) Loans		390.37	Nil	390.37
(iv) Finance Lease Receivables		617.63	Nil	617.63
(v) Other Financial Assets	2, 3	667.41	270.00	937.41
(i) Non-current Tax Assets (Net)		110.61	Nil	110.61
(j) Deferred Tax Assets (Net)		3.20	Nil	3.20
(k) Other Non-current Assets	1	1,753.97	(222.69)	1,531.28
Total Non-current Assets		**52,941.22**	**186.00**	**53,127.22**
Current Assets				
(a) Inventories		1,373.40	Nil	1,373.40
(b) Financial Assets				
(i) Investments		335.95	Nil	335.95
(ii) Trade Receivables		3,540.24	Nil	3,540.24
(iii) Unbilled Revenue		842.64	Nil	842.64
(iv) Cash and Cash Equivalents		613.15	Nil	613.15
(v) Bank Balances other than (iv) above		50.01	Nil	50.01
(vi) Loans		410.27	Nil	410.27
(vii) Finance lease receivables		48.80	Nil	48.80
(viii) Other financial assets		511.49	Nil	511.49
(c) Current Tax Assets (Net)		3.00	Nil	3.00
(d) Other Current Assets		933.02	Nil	933.02
Total Current Assets		**8,661.97**	**Nil**	**8,661.97**
Assets Classified as Held For Sale		1,122.24	Nil	1,122.24
Total Assets before Regulatory Deferral Account		**62,725.43**	**186.00**	**62,911.43**
Regulatory Deferral Account - Assets	2, 3	**7,334.28**	**587.00**	**7,921.28**
TOTAL ASSETS		**70,059.71**	**773.00**	**70,832.71**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		270.48	Nil	270.48
(b) Unsecured Perpetual Securities		1,500.00	Nil	1,500.00
(c) Other Equity	2, 3, 4	11,362.90	1,355.08	12,717.98
Equity attributable to Shareholders of the Company		**13,133.38**	**1,355.08**	**14,488.46**
Non-controlling Interests		**1,749.81**	**Nil**	**1,749.81**
Total Equity		**14,883.19**	**1,355.08**	**16,238.27**
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		22,413.88	Nil	22,413.88
(ii) Trade Payables		33.12	Nil	33.12
(iii) Other Financial Liabilities		571.57	Nil	571.57
(b) Provisions		243.53	Nil	243.53
(c) Deferred Tax Liabilities (Net)		2,096.86	Nil	2,096.86
(d) Non-current Tax Liabilities (Net)		3.74	Nil	3.74
(e) Other Non-current Liabilities		3,042.88	Nil	3,042.88
Total Non-current Liabilities		**28,405.58**	**Nil**	**28,405.58**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		14,588.91	Nil	14,588.91
(ii) Trade Payables		4,401.36	Nil	4,401.36
(iii) Other Financial Liabilities		5,055.98	Nil	5,055.98
(b) Provisions		262.43	Nil	262.43
(c) Current Tax Liabilities (Net)	3	70.16	78.00	148.16
(d) Other Current Liabilities	4	1,711.72	(660.08)	1,051.64
Total Current Liabilities		**26,090.56**	**(582.08)**	**25,508.48**
Total Liabilities before Regulatory Deferral Account		**54,496.14**	**(582.08)**	**53,914.06**
Regulatory Deferral Account - Liability		**680.38**	**Nil**	**680.38**
TOTAL EQUITY AND LIABILITIES		**70,059.71**	**773.00**	**70,832.71**

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Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Statement of Profit and Loss for the year ended 31st March, 2017

		Notes	Reported Amount For the year ended 31st March, 2017 ₹ crore	Discontinued Operations (Refer Note 17) ₹ crore	Restatements ₹ crore	Restated Amount For the year ended 31st March, 2017 ₹ crore
I	Revenue from Operations	3, 6	27,897.72	(548.14)	238.01	27,587.59
II	Other Income	7	202.22	0.02	383.66	585.90
III	**Total Income**		**28,099.94**	**(548.12)**	**621.67**	**28,173.49**
IV	**Expenses**					
	Cost of Power Purchased		8,218.99	Nil	Nil	8,218.99
	Cost of Fuel		8,692.39	Nil	Nil	8,692.39
	Raw Material Consumed		1,009.67	Nil	Nil	1,009.67
	Purchase of Finished Goods, Spares and Shares		26.40	Nil	Nil	26.40
	Transmission Charges		224.13	Nil	Nil	224.13
	Cost of Components Consumed		349.98	(349.98)	Nil	Nil
	(Increase)/Decrease in Stock-in-Trade and Work in Progress		28.34	Nil	Nil	28.34
	Employee Benefits Expense		1,295.94	(34.82)	(0.01)	1,261.11
	Finance Costs	5, 7	3,113.97	(5.60)	256.59	3,364.96
	Depreciation and Amortisation Expenses		1,988.59	(33.01)	0.01	1,955.59
	Other Expenses	7	2,205.18	(108.27)	120.85	2,217.76
	Total Expenses		**27,153.58**	**(531.68)**	**377.44**	**26,999.34**
V	**Profit Before Rate Regulated Activities, Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**		**946.36**	**(16.44)**	**244.23**	**1,174.15**
	Add/(Less): Regulatory income/(expense) (net)	2, 6	(686.46)	Nil	308.02	(378.44)
	Add/(Less): Regulatory income/(expense) (net) in respect of earlier years		77.00	Nil	Nil	77.00
			(609.46)	Nil	308.02	(301.44)
VI	**Profit Before Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**		**336.90**	**(16.44)**	**552.25**	**872.71**
	Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method	5	1,217.29	Nil	8.50	1,225.79
VII	**Profit Before Exceptional Items and Tax**		**1,554.19**	**(16.44)**	**560.75**	**2,098.50**
	Less: Exceptional Items					
	Damages towards contractual obligations		(651.45)	Nil	Nil	(651.45)
VIII	**Profit/(Loss) Before Tax**		**902.74**	**(16.44)**	**560.75**	**1,447.05**
IX	**Tax Expense**					
	Current Tax	3, 5	609.37	(3.71)	(52.34)	553.32
	Deferred Tax		(655.19)	(9.69)	Nil	(664.88)
	Deferred tax (recovered) / payable	2	Nil	Nil	462.02	462.02
			(45.82)	(13.40)	409.68	350.46
	Profit for the Year from Continuing Operations		**948.56**	**(3.04)**	**151.07**	**1,096.59**
	Profit before tax from Discontinued Operations		**Nil**	**16.44**	**Nil**	**16.44**
	Tax Expense on Discontinued Operations		**Nil**	**13.40**	**Nil**	**13.40**
	Profit for the Year from Discontinued Operations		**Nil**	**3.04**	**Nil**	**3.04**
X	**Profit for the Year**		**948.56**	**Nil**	**151.07**	**1,099.63**
	Carried over		948.56	Nil	151.07	1,099.63

Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Statement of Profit and Loss for the year ended 31st March, 2017

	Notes	Reported Amount For the year ended 31st March, 2017 ₹ crore	Discontinued Operations (Refer Note 17) ₹ crore	Restatements ₹ crore	Restated Amount For the year ended 31st March, 2017 ₹ crore
Brought forward......................		948.56	Nil	151.07	1,099.63
XI **Other Comprehensive Income/(Expense)**					
A (i) Items that will not be reclassified to profit or loss					
(a) Remeasurement of the Defined Benefit Plans........		(12.07)	Nil	Nil	(12.07)
(b) Equity Instruments through Other Comprehensive Income		(92.19)	Nil	Nil	(92.19)
(ii) Tax relating to items that will not be reclassified to profit and loss					
(a) Current Tax..................		(38.55)	Nil	Nil	(38.55)
(b) Deferred Tax		4.48	Nil	Nil	4.48
(iii) Share of Other Comprehensive Income/(Expense) of Associates and Joint Ventures accounted for using the Equity Method..................		(63.34)	Nil	Nil	(63.34)
B (i) Items that will be reclassified to profit or loss					
(a) Exchange Differences in translating the financial statements of foreign operations..................		(18.45)	Nil	Nil	(18.45)
(b) Share of Other Comprehensive Income of Associates and Joint Ventures accounted for using the Equity Method..................		87.40	Nil	Nil	87.40
Other Comprehensive Income/(Expense)..................		**(132.72)**	Nil	Nil	**(132.72)**
XII **Total Comprehensive Income for the year (X + XI)**..................		**815.84**	**Nil**	**151.07**	**966.91**
Profit for the Year attributable to:					
- Owners of the Company		745.48	Nil	151.07	896.55
- Non-controlling interest..................		203.08	Nil	Nil	203.08
		948.56	**Nil**	**151.07**	**1,099.63**
Other Comprensive Income/(Expense) for the Year attributable to:					
- Owners of the Company		(132.13)	Nil	Nil	(132.13)
- Non-controlling interest..................		(0.59)	Nil	Nil	(0.59)
		(132.72)	**Nil**	**Nil**	**(132.72)**
Total Comprehensive Income for the Year attributable to:					
- Owners of the Company		613.35	Nil	151.07	764.42
- Non-controlling interest..................		202.49	Nil	Nil	202.49
		815.84	**Nil**	**151.07**	**966.91**

Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016.

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Equity as per Reported Financial Statements		
Equity Share Capital	270.50	270.48
Unsecured Perpetual Securities	1,500.00	1,500.00
Other Equity	11,508.97	11,362.90
	13,279.47	13,133.38
Transfer of Statutory Consumer Reserves from Other Current Liabilities to Statutory Reserves	660.08	660.08
Regulatory Assets on Current Tax recoverable	383.00	364.00
Regulatory Assets on Deferred Tax recoverable	558.00	493.00
Tax Expense	(82.00)	(78.00)
Deferred Tax Liability on Undistributed Profit of Associate	(84.00)	(84.00)
Equity as per Restated Financial Statements	**14,714.55**	**14,488.46**

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017.

	For the year ended 31st March, 2017 ₹ crore
Total Comprehensive Income as per Reported Financial Statements	815.84
Regulatory Assets on Tax Recoverable	19.00
Regulatory Assets on Deferred Tax Recoverable	65.00
Tax Expense	(4.00)
Tax on Dividend received from subsidiaries transferred to Retained Earnings	71.07
Total Comprehensive Income as per Restated Financial Statements	**966.91**

Notes:

1 The Parent Company has reclassified a Leasehold Land as a finance lease under Property, Plant and Equipment during the current year which was earlier classified as an operating lease under Non-current assets. Accordingly, ₹ 222.69 crore as at 1st April, 2016 and ₹ 220.31 crore as at 31st March, 2017 has been re-classified from Non-current Assets to Property, Plant and Equipment.

2 In its regulated operations, the Parent Company is entitled to a fixed return on its investment, net of tax. Consequently, tax is a pass-through cost. The Parent Company followed a practice of not recognizing a regulatory asset for such pass-through cost until the previous year. The Parent Company has reviewed this accounting treatment and recorded regulatory assets (recoverable in future from consumers) for deferred tax as below:

- Deferred tax as at 1st April, 2016 - ₹ 493 crore;
- Deferred tax for the year ended 31st March, 2017 - ₹ 65 crore and as at 31st March, 2017 - ₹ 558 crore

Due to uncertainty as to the method of its recovery after expiry of its Power Purchase Agreement (PPA) as at 31st March, 2019, a similar deferred tax asset of Rs 474.00 crore and ₹ 519.00 crore as at 31st March, 2017 and 1st April, 2016 respectively, for a Trombay generating station has not been recognized.

In respect of a subsidiary company, the regulatory income/expense relating to the deferred tax asset/liability is reclassified from "regulatory expense" to "deferred tax (recoverable)/payable of ₹ 527.02 crore for the year ended 31st March, 2017, also ₹ 6.35 crore pertaining to pass-through net deferred tax asset has been reclassified from regulatory asset to regulatory liability.

Notes to the Consolidated Financial Statements

43. Restated Consolidated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

3 In the regulated operations of the Parent Company, regulatory asset on income tax expense was considered in the year of recovery. The Parent Company has reviewed the accounting treatment and recognized a regulatory asset of ₹ 364.00 crore as at 1st April, 2016 and ₹ 19.00 crore for the year ended 31st March, 2017 and current tax liability of ₹ 78.00 crore as at 1st April, 2016 and ₹ 4.00 crore for the year ended 31st March 2017.

4 During the year ended 31st March, 2018, the Parent Company reviewed and reassessed the classification of certain old matters pertaining to its regulated business. Consequently, the statutory appropriation reserve and investment allowance reserve created prior to the enactment of Maharashtra Electricity Regulatory Commission Tariff Regulations, 2003 amounting to ₹ 660.08 crore as at 1st April, 2016 and 31st March, 2017 have been reclassified from "other current liabilities" to "other equity".

5 As per the clarifications issued by ICAI during the year, the Group reclassified income taxes paid on dividend received for which set off was allowed against the Dividend Distribution Tax (DDT) to other equity ₹ 71.06 crore from current tax ₹ 56.34 crore, finance cost (DDT on preference shares dividend) ₹ 6.22 crore and share of Profit / losses from Joint Ventures and Associates (DDT on dividend recieved from Joint Ventures) ₹ 8.50 crore. Accordingly, net profit is higher by ₹ 71.07 crore for the year ended 31st March, 2017.

6 The Parent Company hitherto followed a practice of presenting recovery of regulatory asset pertaining to earlier years in regulatory expense. Based on Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India and Ind AS 114 Rate regulated activities, the Parent Company has reviewed this accounting treatment and reclassified the said recovery amounting to ₹ 219.00 crore from regulatory expense to Revenue from Operations for the year ended 31st March, 2017.

7 During the year ended 31st March, 2017, the Group has reclassified gain/loss on foreign exchange fluctuation (net) pertaining to Borrowings amounting to ₹ 383.66 crore from 'Other Income' to 'Finance Cost' ₹ 262.81 crore and 'Other Expenses' ₹ 120.85 crore.

8 The Parent Company has reclassified Guarantee Commission Obligation from 'Other Non-current Liabilities' to 'Other Non-current Financial Liabilities' amounting to ₹ 8.05 crore as at 31st March, 2017.

9 The Group has recognized a deferred tax liability of ₹ 84.00 crore on the undistributed profits of an associate as at 1st April, 2016 and consequently the investments accounted for using the Equity method as at 1st April, 2016 and 31st March, 2017 is restated.

10 During the year 31st March, 2017, the Group had acquired Walwhan Renewable Energy Limited along with it's subsidiaries for a consideration of ₹ 3,782.30 crore. The goodwill was provisionally determined at ₹ 1,713.84 crore. As per the share purchase agreement, the provisional consideration was to be adjusted for certain events existing at the closing date. During the current year, the Group has adjusted the fair value of consideration by ₹ 70.22 crore being the measurement period adjustment and has revised the goodwill in the comparative period.

11 During the year ended 31st March, 2017, the Group also acquired Walwhan Solar Raj Limited and a goodwill of ₹ 11.42 crore was recorded. During the year, the Group has made a measurement period adjustment of ₹ 8.69 crore consequent to recognition of deferred tax asset on reassessment .

44. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 2nd May, 2018.

As per our report of even date

For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No.324982E/E300003	RAMESH SUBRAMANYAM Chief Financial Officer	For and on behalf of the Board, N. CHANDRASEKARAN Chairman
per SUDHIR SONI Partner Membership No. 41870	H. M. MISTRY Company Secretary	PRAVEER SINHA CEO & Managing Director
Mumbai, 2nd May, 2018.	Mumbai, 2nd May, 2018.	

Form AOC-I

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/Joint Ventures

Part "A": Subsidiaries

₹ crore

SN	Name of the Subsidiary	Date of acquiring subsidiary	Reporting period for the subsidiary concerned	Reporting currency	Exchange Rate as at 31st March, 2018	Share capital (Incl. Pref. shares and Perpetual Securities)	Reserves & surplus (Incl. Non-controlling Interest)	Total assets	Total Liabilities (Excl. Sh. Capital & Reserves)	Net Assets	Investments	Turnover[14]	Other Income	Total Revenue	Profit/ (Loss) before taxation	Provision for taxation (incl. Deferred tax)	Profit/ (Loss) after taxation	Proposed Dividend on Equity Shares (%)	Proposed Dividend on Equity Shares	% of shareholding
1	NELCO Ltd. (Consolidated) [1]	31-Dec-05	31-Mar-18	Indian Rupee	1.00	22.82	10.95	162.11	128.34	33.77	5.76	149.61	4.94	154.55	15.22	3.11	12.11	Nil	Nil	50.04
2	Af-Taab Investment Co. Ltd.	27-Nov-00	31-Mar-18	Indian Rupee	1.00	10.73	244.80	354.87	99.34	255.53	246.56	14.20	15.48	29.68	24.23	3.39	20.84	Nil	Nil	100.00
3	Tata Power Trading Co. Ltd.	31-Dec-03	31-Mar-18	Indian Rupee	1.00	16.00	140.39	578.86	422.47	156.39	Nil	3,691.42	0.52	3,691.94	24.27	9.28	14.99	Nil	Nil	100.00
4	Maithon Power Ltd.	2-Sep-05	31-Mar-18	Indian Rupee	1.00	1,508.92	474.10	4,687.41	2,704.39	1,983.02	98.54	2,270.41	18.78	2,289.19	222.39	40.70	181.69	Nil	Nil	74.00
5	Coastal Gujarat Power Ltd.	22-Apr-07	31-Mar-18	Indian Rupee	1.00	11,560.30	(8,176.42)	18,593.18	15,209.30	3,383.88	3.40	6,356.78	28.53	6,385.31	(1,721.31)	Nil	(1,721.31)	Nil	Nil	100.00
6	Bhira Investments Ltd. [13]	22-Jun-07	31-Mar-18	US Dollar	65.18	4.10	690.08	6,908.23	6,214.05	694.18	3,698.54	Nil	950.48	950.48	2,389.55	86.79	2,302.76	Nil	Nil	100.00
7	Bhivpuri Investments Ltd. [13]	22-Jun-07	31-Mar-18	US Dollar	65.18	4.08	889.95	2,818.09	1,924.06	894.03	2,817.76	Nil	*	*	(6.94)	Nil	(6.94)	Nil	Nil	100.00
8	Khopoli Investments Ltd. [13]	17-May-07	31-Mar-18	US Dollar	65.18	255.20	27.49	2,942.12	2,659.43	282.69	320.07	Nil	61.05	61.05	(12.81)	0.52	(13.33)	Nil	Nil	100.00
9	Trust Energy Resources Pte. Ltd. [13]	11-Mar-08	31-Mar-18	US Dollar	65.18	604.47	498.34	1,967.51	864.70	1,102.81	28.00	695.12	32.58	727.70	219.14	18.71	200.43	Nil	Nil	100.00
10	Tata Power Delhi Distribution Ltd.	22-Jan-08	31-Mar-18	Indian Rupee	1.00	552.00	2,401.64	9,605.68	6,652.04	2,953.64	0.05	7,499.67	64.90	7,564.57	400.40	94.52	305.88	16.00	88.32	51.00
11	Tata Power Jamshedpur Distribution Ltd.	6-Nov-12	31-Mar-18	Indian Rupee	1.00	8.05	(9.55)	1.08	2.58	(1.50)	Nil	0.07	Nil	0.07	(0.01)	Nil	(0.01)	Nil	Nil	100.00
12	Industrial Power Utility Ltd.	28-Mar-07	31-Mar-18	Indian Rupee	1.00	0.11	(0.11)	*	*	*	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
13	Tata Power Renewable Energy Ltd.	28-Mar-07	31-Mar-18	Indian Rupee	1.00	4,940.11	160.48	8,873.57	3,772.98	5,100.59	3,851.28	494.36	173.45	667.81	204.99	3.60	201.39	1.34	14.00	100.00
14	Tata Power Solar Systems Ltd. [10]	28-Jun-12	31-Mar-18	Indian Rupee	1.00	229.78	198.28	1,615.94	1,187.88	428.06	117.55	2,748.96	2.70	2,751.66	129.23	28.80	100.43	Nil	Nil	100.00
15	Tata Power International Pte. Ltd. [13]	5-Apr-13	31-Mar-18	US Dollar	65.18	559.57	(700.42)	774.65	915.50	(140.85)	672.78	166.06	43.66	209.72	(609.10)	6.96	(616.06)	Nil	Nil	100.00
16	NDPL Infra Ltd.	23-Aug-11	31-Mar-18	Indian Rupee	1.00	0.05	15.55	16.84	1.24	15.60	12.55	9.67	0.73	10.40	5.97	1.70	4.28	Nil	Nil	51.00
17	Tata Power Green Energy Ltd.	5-Jan-11	31-Mar-18	Indian Rupee	1.00	0.05	(0.04)	0.01	0.01	0.01	Nil	Nil	Nil	Nil	(0.01)	Nil	(0.01)	Nil	Nil	100.00
18	Energy Eastern Pte. Ltd. [13]	31-Jan-08	31-Mar-18	US Dollar	65.18	3.40	31.62	205.27	170.25	35.02	Nil	340.72	0.26	340.97	9.78	0.03	9.75	Nil	Nil	100.00
19	PT Sumber Energi Andalan Tbk [12 & 13]	26-Aug-09	31-Mar-17	US Dollar	65.18	26.37	(15.76)	12.69	2.08	10.61	1.89	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	92.50
20	Supa Windfarm Ltd.	10-Dec-15	31-Mar-18	Indian Rupee	1.00	0.05	(0.02)	0.04	0.01	0.03	Nil	Nil	Nil	Nil	(0.01)	Nil	(0.01)	Nil	Nil	100.00
21	Nivade Windfarm Ltd.	17-Dec-15	31-Mar-18	Indian Rupee	1.00	0.05	(0.02)	0.04	0.01	0.03	Nil	Nil	Nil	Nil	(0.01)	Nil	(0.01)	Nil	Nil	100.00
22	Poolavadi Windfarm Ltd.	9-Jan-2016	31-Mar-18	Indian Rupee	1.00	0.05	(0.01)	0.04	*	0.04	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
23	Tata Ceramics Ltd. (consolidated upto 31st December, 2017 thereafter held for sale) [12 & 5]	28-May-15	31-Dec-17	Indian Rupee	1.00	19.52	(32.26)	32.50	45.24	(12.74)	0.07	36.16	1.13	37.29	(6.23)	Nil	(6.23)	Nil	Nil	57.07
24	Indo Rama Renewables Jath Ltd.	19-May-16	31-Mar-18	Indian Rupee	1.00	60.30	(5.24)	166.53	111.47	55.07	10.08	32.48	0.63	33.11	1.15	0.31	0.84	Nil	Nil	100.00
25	Walwhan Renewable Energy Ltd. (Consolidated) [2]	14-Sep-16	31-Mar-18	Indian Rupee	1.00	611.36	1,271.88	7,265.45	5,382.21	1,883.24	29.91	1,186.51	27.75	1,214.26	331.66	99.20	232.46	Nil	Nil	100.00
26	Vagarai Windfarm Ltd.	27-Feb-17	31-Mar-18	Indian Rupee	1.00	0.53	(5.79)	134.83	140.09	(5.26)	Nil	3.58	*	3.58	(5.79)	Nil	(5.79)	Nil	Nil	72.00
27	TP Ajmer Distribution Limited	1-Jul-17	31-Mar-18	Indian Rupee	1.00	0.01	(3.72)	208.10	211.81	(3.71)	Nil	243.89	2.21	246.10	(3.88)	Nil	(3.88)	Nil	Nil	100.00
28	Chirasthaayee Saurya Limited	14-Jun-16	31-Mar-18	Indian Rupee	1.00	1.00	(6.65)	363.13	368.78	(5.65)	Nil	18.34	*	18.34	(5.93)	Nil	(5.93)	Nil	Nil	100.00

Form AOC-I

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/Joint Ventures *(Contd.)*

Part "B": Associates and Joint Ventures

₹ crore

SN	Name of the Associate/Joint Venture Company	Date of acquiring Joint Venture	Latest audited Balance Sheet Date	Reporting currency	Exchange Rate as at 31st March, 2018	Shares of Associate/Joint Venture company held by the company on the year end (No.)	Amount of Investment in Associate / Joint Venture companies	Extent of Holding %	Description of how there is significant influence	Reason why the associate company is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/ (Loss) after tax	Considered in Consolidation	Not considered in Consolidation
	Joint Ventures													
1	Cennergi Pty. Ltd. (Consolidated) [3 & 13]	2-Mar-12	31-Mar-18	ZAR	5.49	86	391.62	50%	Note 10	-	162.92	(46.32)	(23.16)	-
2	PT Mitratama Perkasa (consolidated upto 30th September, 2016 thereafter held for sale) (Consolidated) [4, 13 & $]	16-Aug-12	30-Sep-16	US Dollar	65.18	7,500	1.90	28.38%	Note 10	-	767.48	Nil	Nil	-
3	PT Arutmin Indonesia (consolidated upto 31st March, 2014 thereafter held for sale) [13 & $]	26-Jun-07	31-Mar-14	US Dollar	65.18	3,000	652.15	30%	Note 10	-	665.10	Nil	Nil	-
4	PT Kaltim Prima Coal [13]	26-Jun-07	31-Mar-18	US Dollar	65.18	1,23,540	4,029.24	30%	Note 10	-	747.78	3,632.13	1,089.64	-
5	Indocoal Resources (Cayman) Ltd. [12 & 13]	26-Jun-07	31-Mar-18	US Dollar	65.18	300	2,817.76	30%	Note 10	-	653.59	36.73	11.02	-
6	PT Indocoal Kalsel Resources [12, 13 & $]	26-Jun-07	31-Mar-14	IDR Rupaiya	0.005	60,000	0.20	30%	Note 10	-	0.31	*	*	-
7	PT Indocoal Kaltim Resources [12 & 13]	26-Jun-07	31-Mar-18	IDR Rupaiya	0.005	82,380	0.33	30%	Note 10	-	0.41	*	*	-
8	Powerlinks Transmission Ltd.	7-Jul-03	31-Mar-18	Indian Rupee	1.00	23,86,80,000	238.68	51%	Note 10	-	440.12	124.67	63.58	-
9	Industrial Energy Ltd.	23-Feb-07	31-Mar-18	Indian Rupee	1.00	49,28,40,000	492.84	74%	Note 10	-	556.60	50.36	37.27	-
10	Dugar Hydro Power Ltd.	21-Apr-11	31-Mar-18	Indian Rupee	1.00	4,32,50,002	43.25	50%	Note 10	-	23.64	(0.18)	(0.09)	-
11	Tubed Coal Mines Ltd. [12]	20-Nov-07	31-Mar-18	Indian Rupee	1.00	1,01,97,800	10.20	40%	Note 10	-	Nil	19.83	7.93	-
12	Mandakini Coal Company Ltd. [12]	18-Jul-08	31-Mar-18	Indian Rupee	1.00	3,93,00,000	39.30	33.33%	Note 10	-	(57.19)	Nil	Nil	-
13	Gamma Land Holding Ltd. [12]	14-Sep-12	31-Mar-18	Indian Rupee	1.00	16,667	0.02	33.33%	Note 10	-	(0.01)	Nil	Nil	-
14	Solace Land Holding Ltd. [12]	12-Sep-12	31-Mar-18	Indian Rupee	1.00	7,66,667	0.77	33.33%	Note 10	-	Nil	Nil	Nil	-
15	Beta Land Holdings Ltd. [12]	13-Dec-12	31-Mar-18	Indian Rupee	1.00	16,667	0.02	33.33%	Note 10	-	(0.03)	Nil	Nil	-
16	Ginger Land Holdings Ltd. [12]	20-Dec-12	31-Mar-18	Indian Rupee	1.00	16,667	0.02	33.33%	Note 10	-	Nil	Nil	Nil	-
17	Candice Investments Pte. Ltd. [13]	28-Oct-10	31-Mar-18	US Dollar	65.18	3	*	30%	Note 10	-	38.09	13.07	3.92	-
18	PT Nusa Tambang Pratama [13]	28-Oct-10	31-Mar-18	US Dollar	65.18	18,000	*	30%	Note 10	-	959.64	623.93	187.18	-
19	PT Marvel Capital Indonesia [12 & 13]	28-Oct-10	31-Mar-18	US Dollar	65.18	1,07,459	0.01	30%	Note 10	-	0.19	*	*	-
20	PT Dwikarya Prima Abadi [12 & 13]	28-Oct-10	31-Mar-18	US Dollar	65.18	10,769	0.01	30%	Note 10	-	231.49	16.73	5.02	-
21	PT Kalimantan Prima Power (Consolidated) [5 & 13]	1-Jan-11	31-Mar-18	US Dollar	65.18	7,500	5.14	30%	Note 10	-	173.77	(57.60)	(17.28)	-
22	PT Baramulti Sukessarana Tbk (Consolidated) [6 & 13]	9-Nov-12	31-Mar-18	US Dollar	65.18	68,02,90,000	645.64	26%	Note 10	-	289.16	551.12	143.29	-
23	Adjaristsqali Netherlands BV (Consolidated) [7 & 13]	9-May-13	31-Mar-18	Euro	80.81	16,459	466.41	40%	Note 10	-	359.65	(6.88)	(2.75)	-
24	Indocoal KPC Resources (Cayman) Ltd [12 & 13]	2-Jul- 14	31-Mar-18	US Dollar	65.18	300	*	30%	Note 10	-	0.25	0.23	0.07	-
25	Koromkheti Netherlands BV (Consolidated) [8, 12 & 13]	9-May- 14	31-Mar-18	Euro	80.81	500	*	40%	Note 10	-	(27.21)	8.48	3.39	-
26	Itezhi Tezhi Power Corporation Ltd. [13]	29-Apr-15	31-Mar-18	US Dollar	65.18	4,52,500	275.74	50%	Note 10	-	268.82	83.80	41.90	-
27	Resurgent Power Ventures Pte. Ltd. [12]	19-May-16	31-Mar-18	US Dollar	65.18	14,736	24.88	26%	Note 10	-	11.60	(50.54)	(13.14)	-
28	LTH Milcom Private Ltd. [12 & $]	17-Aug-15	31-Mar-17	Indian Rupee	1.00	66,660	0.07	33.33%	Note 10	Not material to the group	*	*	*	*

Form AOC-I

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/Joint Ventures *(Contd.)*

Part "B": Associates and Joint Ventures *(Contd.)*

₹ crore

SN	Name of the Associate/Joint Venture Company	Date of acquiring Associate	Latest audited Balance Sheet Date	Reporting currency	Exchange Rate as at 31st March, 2018	Shares of Associate/Joint Venture company held by the company on the year end (No.)	Amount of Investment in Associate / Joint Venture companies	Extent of Holding %	Description of how there is significant influence	Reason why the associate company is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/ (Loss) after tax	Considered in Consolidation	Not considered in Consolidation
	Associates													
1	Tata Projects Ltd. (consolidated upto 31st December, 2017 thereafter held for sale) [$]	27-Nov-00	31-Dec-17	Indian Rupee	1.00	9,67,500	85.01	47.78%	Note 11	-	513.37	77.63	37.09	-
2	Panatone Finvest Ltd. (consolidated upto 30th June, 2017 thereafter held for sale) (Consolidated) [9&$]	12-Feb-02	30-Jun-17	Indian Rupee	1.00	59,08,82,000	600.00	39.98%	Note 11	-	277.27	6.63	2.65	-
3	Nelito Systems Ltd. [$]	31-Dec-05	31-Mar-18	Indian Rupee	1.00	5,72,238	4.34	28.15%	Note 11	-	10.45	Nil	-	-
4	Yashmun Engineers Ltd. [12]	27-Nov-00	31-Mar-18	Indian Rupee	1.00	19,200	0.01	27.27%	Note 11	-	3.19	*	*	-
5	Tata Communications Ltd. (consolidated upto 30th June, 2017 thereafter held for sale) (Consolidated) [$]	12-Feb-02	30-Jun-17	Indian Rupee	1.00	1,34,22,037	343.81	4.71%	Note 11	-	77.16	21.44	1.01	-
6	Dagachhu Hydro Power corporation Ltd.	19-Jan-09	31-Mar-18	Bhutan Nu	1.00	10,74,320	107.43	26.00%	Note 11	-	98.09	(43.96)	(11.43)	-
7	The Associated Building Co. Ltd. [12]	27-Nov-00	31-Mar-18	Indian Rupee	1.00	1,825	0.17	33.14%	Note 11	Not material to the group	0.44	Nil	Nil	-
8	Brihat Trading Pvt. Ltd. [12]	22-Feb-05	31-Mar-18	Indian Rupee	1.00	3,350	0.01	33.21%	Note 11		(0.01)	Nil	Nil	-

Notes:

1 Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
2 Accounts of all subsidiaries of Walwhan Renewable Energy Ltd. have been consolidated with Walwhan Renewable Energy Ltd.
3 Accounts of Amakhala Emoyeni RE Project 1 (Pty) Ltd. and Tsitsikamma Community Wind Farm (Pty) Ltd. have been consolidated with Cennergi Pty. Ltd.
4 Accounts of PT Mitratama Usaha have been consolidated with PT Mitratama Perkasa.
5 Accounts of PT Citra Prima Buana, PT Guruh Agung and PT Citra Kusuma Perdana have been consolidated with PT Kalimantan Prima Power.
6 Accounts of PT Antang Gunung Meratus have been consolidated with PT Baramulti Sukessarana Tbk.
7 Accounts of Adjaristsqali Georgia LLC have been consolidated with Adjaristsqali Netherlands BV.
8 Accounts of Koromkheti Georgia LLC have been consolidated with Koromkheti Netherlands BV.
9 Accounts of Tata Communications Ltd. have been consolidated with Panatone Finvest Ltd.
10 There is significant influence due to shareholding and joint control over the economic activities.
11 There is significant influence due to shareholding.
12 Based on Management Accounts for FY 2017-18.
13 Figures of foreign subsidiaries and joint ventures are as per their accounts prepared under the respective GAAP, convereted to Ind AS.
14 Turnover includes rate regulatory income/(expense).
15 Chemical Terminal Trombay Limited, an erstwhile subsidiary was merged with The Tata Power Company Limited, pursuant to Order dated 27th July, 2017 passed by the National Company Law Tribunal.
16 Far Eastern Natural Resources LLC, a subsidiary, has been incorporated on 17th August, 2017 and is yet to commence its operations.
17 $ denotes held for Sale.

Figures below ₹ 50,000/- are denoted by "*"

For and on behalf of the Board

RAMESH SUBRAMANYAM
Chief Financial Officer

N. CHANDRASEKARAN
Chairman

H. M. MISTRY
Company Secretary

PRAVEER SINHA
CEO & Managing Director

Mumbai, 2nd May, 2018.

Independent Auditor's Report

To the Members of The Tata Power Company Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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

Other Matters

The Ind AS financial statements of the Company for the year ended 31st March, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed a modified opinion on those statements on 19th May, 2017.

We audited the adjustments, as fully described in Note 43 to the standalone Ind AS financial statements, which have been made to the comparative standalone Ind AS financial statements presented for the years prior to year ended 31st March, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 23 & Note 37 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 23 & 24 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870
Place: Mumbai
Date: 2nd May, 2018

Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone Ind AS financial statements of The Tata Power Company Limited

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for:

a. immovable properties aggregating to ₹ 0.88 crore acquired during merger of Chemical Terminal Trombay Limited in the current year for which registration of title of deeds is in progress;

b. immovable properties aggregating to ₹ 27.32 crore acquired in earlier years for which registration of title of deeds is in progress;

c. land aggregating to ₹ 217.92 crore (Gross value ₹ 225.65 crore), taken on lease for which registration of title of deeds is in progress;

d. immovable properties aggregating to ₹ 27.57 crore for which the title deed is in dispute and pending resolution as at 31st March, 2018;

According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the banks and not available with the Company as described in note 22 and 27 of financials statements. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to five companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The Company has granted loans to five companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation of electricity and arms and ammunitions, electricals or electronic machinery and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

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

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, custom duty, excise duty, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of statute	Nature of the Dues	Amount (₹ crore)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs Duty	34.43	2011-12 and 2012-13	Tribunal
The Customs Act, 1962		3.60	2004-05 to 2005-06	Tribunal
The Customs Act, 1962		1.37	2004-05 to 2005-06 and 2009-10	Principal Commissioner
Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002	Entry Tax	709.17	2005-06 and 2008-09	Supreme Court
		1,000.22	2006-07, 2007-08, 2010-11, 2011-12	Tribunal
		325.79	2009-10, 2012-13 & 2013-14	Joint Commissioner appeal
The Central Excise Act, 1944	Excise Duty	0.81	1993-94 to 1995-96	Tribunal
The Water (Prevention & Control of Pollution) Cess Act 1977	Cess	1.13	2009-10	Chairman, Maharashtra Pollution Control Board (MPCB)
The Finance Act, 1994	Service Tax	375.29	July 2012 to June 2017	High Court
		5.86	2011-12 to 2014-15	Tribunal
		0.25	2007-08	Joint Commissioner appeal

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of debentures and term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870
Place: Mumbai
Date: 2nd May, 2018

Annexure 2 to the Independent Auditor's Report of even date of the standalone Ind AS financial statements of The Tata Power Company Limited

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

We have audited the internal financial controls over financial reporting of The Tata Power Company Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place: Mumbai

Date: 2nd May, 2018

Balance Sheet as at 31st March, 2018

	Notes	Page	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017* ₹ crore*	*As at 1st April, 2016* ₹ crore*
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	5	261	7,873.55	*8,358.30*	*8,482.58*
(b) Capital Work-in-Progress			418.78	*666.19*	*485.63*
(c) Investment Property	6	263	Nil	*0.96*	*1.01*
(d) Intangible Assets	7	264	93.18	*189.87*	*140.54*
(e) Intangible Assets under Development			Nil	*254.68*	*209.70*
(f) Financial Assets					
(i) Investments	8	265	18,382.45	*22,340.31*	*14,002.46*
(ii) Trade Receivables	9	269	185.76	*185.76*	*185.76*
(iii) Loans	10	270	22.09	*22.82*	*3,644.47*
(iv) Finance Lease Receivables	11	271	574.76	*573.47*	*617.63*
(v) Other Financial Assets	12	272	722.79	*1,132.40*	*1,277.56*
(g) Other Non-current Assets	13	273	559.72	*884.83*	*921.27*
Total Non-current Assets			**28,833.08**	***34,609.59***	***29,968.61***
Current Assets					
(a) Inventories	14	274	474.22	*671.09*	*689.05*
(b) Financial Assets					
(i) Investments	15	274	10.00	*130.08*	*35.94*
(ii) Trade Receivables	9	269	972.05	*1,234.82*	*1,058.08*
(iii) Unbilled Revenue			53.75	*560.98*	*299.96*
(iv) Cash and cash Equivalents	16	275	42.94	*141.88*	*33.87*
(v) Bank Balances other than (iv) above	17	275	15.48	*14.47*	*12.06*
(vi) Loans	10	270	402.25	*Nil*	*106.00*
(vii) Finance Lease Receivables	11	271	34.27	*39.16*	*48.80*
(viii) Other Financial Assets	12	272	434.83	*376.74*	*212.09*
(c) Other Current Assets	13	273	172.87	*273.97*	*344.69*
Total Current Assets			**2,612.66**	***3,443.19***	***2,840.54***
Assets Classified as Held For Sale	18	276	3,261.14	*235.72*	*Nil*
Total Assets before Regulatory Deferral Account			**34,706.88**	***38,288.50***	***32,809.15***
Regulatory Deferral Account - Assets	19	279	**1,795.19**	***2,544.00***	***2,680.09***
TOTAL ASSETS			**36,502.07**	***40,832.50***	***35,489.24***
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	20 a.	280	270.50	*270.50*	*270.48*
(b) Unsecured Perpetual Securities	20 b.	281	1,500.00	*1,500.00*	*1,500.00*
(c) Other Equity	21	282	12,718.03	*16,321.47*	*16,538.57*
Total Equity			**14,488.53**	***18,091.97***	***18,309.05***
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	22	284	8,123.84	*8,847.86*	*8,983.62*
(ii) Trade Payables			21.00	*35.57*	*33.12*
(iii) Other Financial Liabilities	23	286	110.74	*40.03*	*33.59*
(b) Provisions	24	287	182.10	*170.75*	*152.04*
(c) Deferred Tax Liabilities (Net)	25 & 34	292	235.99	*1,468.88*	*1,541.26*
(d) Other Non-current Liabilities	26	292	180.49	*179.29*	*176.85*
Total Non-current Liabilities			**8,854.16**	***10,742.38***	***10,920.48***
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	27	292	4,326.46	*2,391.98*	*1,507.09*
(ii) Trade Payables			1,105.68	*1,346.23*	*1,264.43*
(iii) Other Financial Liabilities	23	286	5,386.20	*6,632.61*	*1,867.16*
(b) Provisions	24	287	15.44	*52.95*	*73.84*
(c) Current Tax Liabilities (Net)	28	292	107.67	*98.62*	*106.13*
(d) Other Current Liabilities	26	292	855.37	*819.76*	*760.68*
Total Current Liabilities			**11,796.82**	***11,342.15***	***5,579.33***
Liabilities Classified as Held For Sale	18	276	877.56	*Nil*	*Nil*
Total Liabilities before Regulatory Deferral Account			**21,528.54**	***22,084.53***	***16,499.81***
Regulatory Deferral Account - Liability	19	279	**485.00**	***656.00***	***680.38***
TOTAL EQUITY AND LIABILITIES			**36,502.07**	***40,832.50***	***35,489.24***

* Restated (Refer Note 44)

See accompanying notes to the Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Statement of Profit and Loss for the year ended 31st March, 2018

		Notes	Page	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017** ₹ crore
I	Revenue from Operations	29	293	7,536.59	*6,924.16*
II	Other Income	30	295	929.34	*994.72*
III	**Total Income**			**8,465.93**	***7,918.88***
IV	**Expenses**				
	Cost of Power Purchased			412.05	*466.52*
	Cost of Fuel			2,776.40	*2,342.83*
	Transmission Charges			279.88	*221.30*
	Employee Benefits Expense (Net)	31	295	596.69	*631.02*
	Finance Costs	32	296	1,431.38	*1,318.76*
	Depreciation and Amortisation Expenses	5, 6 & 7	264	663.21	*605.00*
	Other Expenses	33	297	877.52	*1,011.77*
	Total Expenses			**7,037.13**	***6,597.20***
V	**Profit/(Loss) Before Rate Regulated Activities, Exceptional Items and Tax**			**1,428.80**	***1,321.68***
	Add/(Less): Regulatory income/(expense) (Net)	19	279	(236.00)	*(232.00)*
	Add/(Less): Regulatory income/(expense) (Net) in respect of earlier years	19	279	Nil	*77.00*
				(236.00)	*(155.00)*
VI	**Profit/(Loss) Before Exceptional Items and Tax**			**1,192.80**	***1,166.68***
	Less: Exceptional Items				
	Impairment of Property, Plant and Equipment	5	261	100.00	*Nil*
	Impairment of Non-current Investments	8a & b	268	4,230.32	*Nil*
	Damages towards Contractual Obligation	8 c	268	107.08	*651.45*
				4,437.40	*651.45*
VII	**Profit/(Loss) Before Tax**			**(3,244.60)**	***515.23***
VIII	**Tax Expense**				
	Current Tax	34	298	224.26	*264.19*
	Deferred Tax	34	298	(844.37)	*(78.46)*
	Deferred Tax (Recoverable)/Payable	34	298	454.29	*(65.00)*
				(165.82)	*120.73*
IX	**Profit/(Loss) for the Year from Continuing Operations**			**(3,078.78)**	***394.50***
X	**Profit/(Loss) before tax from Discontinued Operations**	18	276	(85.87)	*16.44*
XI	**Tax Expense/(Credit) on Discontinued Operations**				
	Current Tax			(17.36)	*3.71*
	Deferred Tax			3.23	*9.69*
	Tax Expense/(Credit) on Discontinued Operations			(14.13)	*13.40*
XII	**Profit/(Loss) for the Year from Discontinued Operations**	18	276	**(71.74)**	***3.04***
XIII	**Profit/(Loss) for the Year**			**(3,150.52)**	***397.54***
XIV	**Other Comprehensive Income including Discontinued Operations**				
	A *Add/(Less)*:				
	(i) Items that will not be reclassified to profit or loss				
	(a) Equity Instruments through Other Comprehensive Income			(400.44)	*(113.97)*
	(b) Gain on sale of Investment classified at FVTOCI			99.59	*0.10*
	(c) Remeasurement of the Defined Benefit Plans	24 (2.3) & 18	287	(11.53)	*(11.68)*
	(ii) Tax relating to items that will not be reclassified to profit or loss				
	(a) Current Tax	34	298	(34.67)	*Nil*
	(b) Deferred Tax	34	298	391.99	*4.07*
	B *Add/(Less)*:				
	(i) Items that will be reclassified to profit and loss			Nil	*Nil*
	(ii) Income tax relating to items that will be reclassified to profit or loss			Nil	*Nil*
	Other Comprehensive Income/(Expense) For The Year			**44.94**	***(121.48)***
XV	**Total Comprehensive Income for the year (XIII + XIV)**			**(3,105.58)**	***276.06***
XVI	**Earnings Per Equity Share (from Continuing Operations) (excluding Regulatory income/(expense) (Net)) (of ₹ 1/- each)**				
	Basic and Diluted (₹)	39	305	(11.21)	*1.42*
XVII	**Earnings Per Equity Share (from Continuing Operations) (including Regulatory income/(expense) (Net)) (of ₹ 1/- each)**				
	Basic and Diluted (₹)	39	305	(11.79)	*1.05*
XVIII	**Earnings Per Equity Share (from Discontinued Operations) (of ₹ 1/- each)**				
	Basic and Diluted (₹)	39	305	(0.26)	*0.01*
XIX	**Earnings Per Equity Share (Total Operations including Regulatory Income) (of ₹ 1/ each)**				
	Basic and Diluted (₹)	39	305	(12.05)	*1.06*

* Restated (Refer Note 44)

See accompanying notes to the Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Statement of Cash Flows for the year ended 31st March, 2018

			For the year ended 31st March, 2018 ₹ crore		*For the year ended 31st March, 2017** ₹ crore
A. Cash Flow from Operating Activities					
Profit/(Loss) before tax from Continuing Operations			(3,244.60)		*515.23*
Profit/(Loss) before tax from Discontinued Operations			(85.87)		*16.44*
Adjustments to reconcile profit before tax to net cash flows					
Depreciation and Amortisation Expense		694.39		*638.01*	
Interest Income		(132.58)		*(269.80)*	
Delayed Payment Charges		(6.01)		*(6.78)*	
Dividend Income		(747.90)		*(651.23)*	
Finance Cost (Net of Capitalisation)		1,440.23		*1,324.36*	
(Gain)/Loss on disposal of Property, Plant and Equipment (Net)		(8.39)		*0.23*	
Gain on Sale/Fair Value of Current Investment measured at FVTPL		(2.36)		*(42.23)*	
Amortisation of Premium paid on Leasehold Land		0.31		*0.41*	
Guarantee Commission from Subsidiaries and Joint Ventures		(23.55)		*(24.88)*	
Amortisation of Service Line Contributions		(8.99)		*(11.04)*	
Transfer to Contingency Reserve		14.00		*14.00*	
Allowance for Doubtful Debts and Advances (Net)		(0.39)		*19.34*	
Impairment of Property, Plant and Equipment		100.00		*Nil*	
Impairment of Non-current Investments		4,230.32		*Nil*	
Damages Towards Contractual Obligation		107.08		*651.45*	
Impairment of Non-current Assets		6.00		*65.00*	
Impairment of Non-current Investments in Joint Ventures		(2.90)		*18.08*	
Effect of Exchange Fluctuation (Net)		(6.08)		42.86	
			5,653.18		1,767.78
			2,322.71		*2,299.45*
Working Capital Adjustments					
Adjustments for (increase) / decrease in operating assets:					
Inventories		94.57		*17.96*	
Trade Receivables		(48.37)		*(195.76)*	
Finance Lease Receivables		3.60		*53.80*	
Other Current Assets		(72.72)		*71.30*	
Other Non-current Assets		151.62		*9.18*	
Unbilled Revenue		192.11		*(261.02)*	
Other Financial Assets - Current		97.32		*(109.26)*	
Other Financial Assets - Non-current		(62.48)		*125.48*	
Regulatory Account - Assets		456.16		179.09	
Movement in operating asset			811.81		(109.23)
			3,134.52		*2,190.22*
Adjustments for increase / (decrease) in operating liabilities:					
Trade Payables		(118.90)		*83.39*	
Other Current Liabilities		92.30		*45.08*	
Other Non-current Liabilities		(0.98)		*(0.98)*	
Current Provisions		(11.11)		*(32.21)*	
Non-current Provisions		30.40		*18.34*	
Other Financial Liabilities - Current		(81.14)		*59.07*	
Other Financial Liabilities - Non-Current		66.17		*(1.61)*	
Regulatory Account - Liability		(171.00)		(24.38)	
Movement in operating liability			(194.26)		146.70
Cash flow from/(used in) operations			2,940.26		*2,336.92*
Income tax paid			(173.58)		*(216.14)*
Net Cash Flows from/(used) in Operating Activities	**A**		**2,766.68**		***2,120.78***
B. Cash Flow from Investing Activities					
Capital expenditure on Property, Plant and Equipment (including capital advances)			(665.00)		*(884.03)*
Proceeds from sale of Property, Plant and Equipment			15.54		*9.48*
Purchase of Non-current Investments					
Subsidiaries			(1,328.01)		*(4,833.73)*
Joint ventures			(0.17)		*(0.15)*
Other Investments			(104.65)		*(10.26)*
Proceeds from sale of Non-current Investments					
Other Investments			206.81		*0.73*
Purchase of Current Investments			(5,898.50)		*(24,417.31)*
Proceeds from Sale of Current Investments			6,030.94		*24,454.52*
Loan given to Employees (Net)			0.81		*0.28*
Interest Received					
Subsidiaries			29.90		*43.75*
Joint ventures			0.92		*Nil*
Others			99.99		*49.56*
Delayed payment charges received			6.01		*6.78*
Carried over......			1,161.27		*(3,459.60)*

Statement of Cash Flows for the year ended 31st March, 2018 *(Contd.)*

			For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017* ₹ crore*
	Brought forward...		1,161.27	*(3,459.60)*
	Loans given to Subsidiaries		(1,377.12)	*(187.15)*
	Loans given to Joint Ventures		(0.07)	*Nil*
	Loans repaid by Subsidiaries		974.86	*356.62*
	Loans repaid by Joint Ventures		Nil	*13.25*
	Dividend Received			
	Subsidiaries		501.94	*427.00*
	Joint Ventures		66.38	*114.50*
	Associates		15.31	*12.43*
	Others		10.63	*5.07*
	Guarantee Commission Received		28.92	*24.88*
	Amount (paid)/received back under Contractual Obligation		31.47	*(790.00)*
	Inter Corporate Deposits redeemed		Nil	*24.00*
	Bank Balance not considered as Cash and Cash Equivalents		(1.01)	*(2.41)*
	Net Cash Flow from/(used) in Investing Activities	**B**	**(1,354.10)**	***(5,582.19)***
C.	**Cash flow from Financing Activities**			
	Proceeds from Issue of Equity shares		Nil	*0.87*
	Increase in Capital/Service Line Contributions		11.17	*14.46*
	Distribution on Unsecured Perpetual Securities		(171.00)	*(171.24)*
	Interest and Other Borrowing Costs		(1,578.29)	*(1,172.23)*
	Proceeds from Non-current Borrowings		2,408.96	*5,615.00*
	Repayment of Non-current Borrowings		(3,697.23)	*(1,220.97)*
	Proceeds from Current Borrowings		11,274.46	*7,926.79*
	Repayment of Current Borrowings		(9,468.45)	*(6,894.65)*
	Dividends Paid		(350.61)	*(350.42)*
	Dividend Distribution Tax		(33.81)	*(29.58)*
	Net Cash Flow from/(used) in Financing Activities	**C**	**(1,604.80)**	***3,718.03***
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(A+B+C)**	**(192.22)**	***256.62***
	Cash and Cash Equivalents as at 1st April (Opening Balance)		**141.56**	***(115.06)***
	Cash and Cash Equivalents as at 31st March (Closing Balance)		**(50.66)**	***141.56***

Notes:

Cash and Cash Equivalents include:

		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
(a)	Cash on Hand	Nil	*0.04*
(b)	Balances with Banks		
	(i) In Current Accounts	42.94	*29.81*
	(ii) In Current Accounts - Discontinued Operations	1.88	*14.03*
	(ii) In Deposit Accounts (with original maturity of less than three months)	Nil	*98.00*
(c)	Bank Overdraft	(95.44)	*(0.31)*
	Bank Overdraft - Discontinued Operations	(0.04)	*(0.01)*
		(50.66)	***141.56***

* Restated (Refer Note 44)

See accompanying notes to the Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Statement of Changes in Equity

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at 1st April, 2016	*270,46,29,398*	*270.48*
Issued during the year	*1,44,112*	*0.02*
Balance as at 31st March, 2017	270,47,73,510	270.50
Issued during the year	Nil	Nil
Balance as at 31st March, 2018	270,47,73,510	270.50

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at 1st April, 2016	*15,000*	*1,500.00*
Issued during the year	*Nil*	*Nil*
Balance as at 31st March, 2017	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2018	15,000	1,500.00

C. Other Equity

₹ crore

Description	Reserves and Surplus							Item of Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reserve	Statutory Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
Balance as at 1st April, 2016 *	*3,853.98*	*5,634.13*	*545.24*	*1.85*	*61.66*	*660.08*	*5,921.32*	*(139.69)*	*16,538.57*
Profit/(Loss) for the year	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*397.54*	*Nil*	*397.54*
Other Comprehensive Income/(Expense) for the year (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(7.73)*	*(113.75)*	*(121.48)*
Total Comprehensive Income	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*389.81*	*(113.75)*	*276.06*
Issue of Equity Shares during the year	*Nil*	*0.85*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*0.85*
Dividend paid (including tax on dividend)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(381.57)*	*Nil*	*(381.57)*
Transfer to Retained Earnings on Sale of Shares	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(0.04)*	*0.04*	*Nil*
Transfer to Debenture Redemption Reserve	*Nil*	*Nil*	*455.66*	*Nil*	*Nil*	*Nil*	*(455.66)*	*Nil*	*Nil*
Distribution on Unsecured Perpetual Securities (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(112.44)*	*Nil*	*(112.44)*
Balance as at 31st March, 2017 *	***3,853.98***	***5,634.98***	***1,000.90***	***1.85***	***61.66***	***660.08***	***5,361.42***	***(253.40)***	***16,321.47***
Balance as at 1st April, 2017 *	3,853.98	5,634.98	1,000.90	1.85	61.66	660.08	5,361.42	(253.40)	16,321.47
Profit/(Loss) for the year	Nil	Nil	Nil	Nil	Nil	Nil	(3,150.52)	Nil	(3,150.52)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	(9.08)	54.02	44.94
Total Comprehensive Income	Nil	Nil	Nil	Nil	Nil	Nil	(3,159.60)	54.02	(3,105.58)
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	Nil	(385.80)	Nil	(385.80)
Transfer to Debenture Redemption Reserve	Nil	Nil	(0.29)	Nil	Nil	Nil	0.29	Nil	Nil
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	Nil	174.74	(174.74)	Nil
Distribution on Unsecured Perpetual Securities (Net of Tax)	Nil	Nil	Nil	Nil	Nil	Nil	(112.06)	Nil	(112.06)
Tax on Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	**3,853.98**	**5,634.98**	**1,000.61**	**1.85**	**61.66**	**660.08**	**1,878.99**	**(374.12)**	**12,718.03**

* Restated (Refer Note 44)

See accompanying notes to the Financial Statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Notes to the Financial Statements

1. Corporate Information:

The Tata Power Company Limited (the 'Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at Bombay House, 24, Homi Mody Street, Mumbai 400001, India. The principal business of the Company is generation, transmission and distribution of electricity.

The Company was amongst the pioneers in generation of electricity in India more than a century ago.

The Company has an installed generation capacity of 2,804 MW in India and a presence in all the segments of the power sector viz. Fuel and Logistics, Generation (thermal, hydro, solar and wind), Transmission and Distribution.

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- certain land and buildings classified as property, plant and equipment,
- derivative financial instruments;
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

3. Other Significant Accounting Policies

3.1 Foreign Currencies

The functional currency of the Company is Indian Rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3.3.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to the statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.3.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the Company's obligation.

Notes to the Financial Statements

3.4 Financial Instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

3.5 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

3.5.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.5.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

3.5.4 Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - Separate Financial Statements.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.5.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to the Financial Statements

3.5.6 Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

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

3.6.2 Equity Instruments

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

3.6.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.6.4 Derecognition

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

3.6.5 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

3.7 Derivative financial instruments

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

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

3.8 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.9 Offsetting of financial instruments

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

3.10 Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Notes to the Financial Statements

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.11 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable to the Company for accounting periods beginning on or after 1st April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its financial statements.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any material impact on the Company.

3.12 Dividend distribution to equity shareholders of the Company

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3.13 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period.

4. Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 5

Estimated fair value of unquoted securities and impairement of investments - Note 8

Estimation of defined benefit obligation - Note 24 and 31

Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 34

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Financial Statements

5 Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount & rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Regulated Assets:

Depreciation on property, plant and equipment in respect of electricity business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator.

Non-Regulated Assets:

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the Regulated and Non-Regulated assets are as follows:

Type of asset	Useful lives
Leasehold Land	95 years
Hydraulic Works	35 years
Buildings-Plant	25 to 35 years
Buildings-Others	25 to 60 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	25 to 35 years
Plant and Equipment (excluding Computers and Data Processing units)	25 to 35 years
Plant and Equipment (Computers and Data Processing units)	3 years
Transmission Lines, Cable Network, etc.	25 to 35 years
Furniture and Fixtures	10 to 35 years
Office Equipment	5 years
Motor Cars	5 years
Motor Lorries, Launches, Barges etc.	25 to 35 years
Helicopters	25 years

Decapitalisation

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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

Impairment

Impairment of tangible and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future Cash flows after the fifth year. To estimate Cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates Cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

5. Property, Plant and Equipment *(Contd.)*

₹ crore

Description	Freehold Land	Leasehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc.	Helicopters	Total
Cost														
Balance as at 1st April, 2017	295.67	225.65	535.53	877.56	226.68	106.10	46.48	9,347.05	2,786.01	78.78	31.90	23.69	37.01	14,618.11
Additions	7.22	Nil	0.81	58.00	4.90	Nil	0.25	260.78	174.27	3.83	3.12	28.77	Nil	541.95
Transferred from Investment Property	Nil	Nil	Nil	Nil	3.08	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3.08
Disposals	(0.13)	Nil	Nil	(0.07)	(0.10)	Nil	Nil	(48.19)	(0.58)	(0.29)	(0.29)	(0.53)	Nil	(50.18)
Transferred to Discontinued Operations (Refer Note 18)	(157.56)	Nil	Nil	(58.31)	(2.86)	Nil	(0.64)	(147.76)	Nil	(14.28)	(6.03)	(5.25)	Nil	(392.69)
Reclassified (to)/from held for sale	Nil	Nil	0.34	6.76	Nil	Nil	0.49	27.14	2.94	Nil	Nil	Nil	Nil	37.67
Balance as at 31st March, 2018	145.20	225.65	536.68	883.94	231.70	106.10	46.58	9,439.02	2,962.64	68.04	28.70	46.68	37.01	14,757.94
Accumulated depreciation and impairment														
Balance as at 1st April, 2017	Nil	5.34	270.32	229.79	78.91	44.79	21.05	4,548.27	949.28	43.20	22.64	19.11	27.11	6,259.81
Depreciation Expense	Nil	2.39	12.50	26.94	17.30	5.60	1.72	418.18	120.88	4.66	3.75	8.41	3.67	626.00
Depreciation Expense - Discontinued Operations	Nil	Nil	Nil	1.25	0.31	Nil	0.05	7.35	Nil	1.26	0.61	1.13	Nil	11.96
Transferred from Investment Property	Nil	Nil	Nil	Nil	2.16	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.16
Eliminated on disposal of assets	Nil	Nil	Nil	(1.67)	(0.55)	Nil	(0.05)	(36.94)	(0.52)	(1.89)	(0.93)	(0.48)	Nil	(43.03)
Charge for the year - Impairment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100.00	Nil	Nil	Nil	Nil	Nil	100.00
Transferred to Discontinued Operations (Refer Note 18)	Nil	Nil	Nil	(12.09)	(0.81)	Nil	(0.20)	(64.99)	Nil	(7.00)	(3.31)	(1.30)	Nil	(89.70)
Reclassified (to)/from held for sale	Nil	Nil	0.18	1.88	Nil	Nil	0.14	13.93	1.06	Nil	Nil	Nil	Nil	17.19
Balance as at 31st March, 2018	Nil	7.73	283.00	246.10	97.32	50.39	22.71	4,985.80	1,070.70	40.23	22.76	26.87	30.78	6,884.39
Net carrying amount														
As at 31st March, 2018	**145.20**	**217.92**	**253.68**	**637.84**	**134.38**	**55.71**	**23.87**	**4,453.22**	**1,891.94**	**27.81**	**5.94**	**19.81**	**6.23**	**7,873.55**
As at 31st March, 2017	**295.67**	**220.31**	**265.21**	**647.77**	**147.77**	**61.31**	**25.43**	**4,798.78**	**1,836.73**	**35.58**	**9.26**	**4.58**	**9.90**	**8,358.30**

₹ crore

Description	Freehold Land	Leasehold Land	Hydraulic Works	Buildings - Plant	Buildings - Others @	Coal Jetty	Roads, Railway sidings, crossings etc.	Plant and Equipment	Transmission lines and cable network	Furniture and Fixtures	Office Equipment	Motor Vehicles, Launches, Barges, etc.	Helicopters	Total
Cost														
Balance as at 1st April, 2016	*343.28*	*225.65*	*534.97*	*840.71*	*220.77*	*106.10*	*44.59*	*9,173.55*	*2,603.43*	*76.00*	*30.60*	*23.69*	*37.01*	*14,260.35*
Additions	*2.22*	*Nil*	*0.90*	*44.96*	*7.59*	*Nil*	*2.47*	*298.32*	*186.58*	*3.05*	*1.56*	*Nil*	*Nil*	*547.65*
Disposals	*Nil*	*Nil*	*Nil*	*(1.30)*	*(1.68)*	*Nil*	*(0.01)*	*(66.58)*	*(1.06)*	*(0.27)*	*(0.26)*	*Nil*	*Nil*	*(71.16)*
Reclassified (to)/from held for sale	*(49.83)*	*Nil*	*(0.34)*	*(6.81)*	*Nil*	*Nil*	*(0.57)*	*(58.24)*	*(2.94)*	*Nil*	*Nil*	*Nil*	*Nil*	*(118.73)*
Balance as at 31st March, 2017	*295.67*	*225.65*	*535.53*	*877.56*	*226.68*	*106.10*	*46.48*	*9,347.05*	*2,786.01*	*78.78*	*31.90*	*23.69*	*37.01*	*14,618.11*
Accumulated depreciation and impairment														
Balance as at 1st April, 2016	*Nil*	*2.96*	*257.84*	*204.86*	*72.46*	*39.19*	*19.65*	*4,243.83*	*839.59*	*35.77*	*19.34*	*18.32*	*23.96*	*5,777.77*
Depreciation Expense	*Nil*	*2.38*	*12.66*	*26.03*	*6.84*	*5.60*	*1.57*	*394.04*	*111.74*	*6.02*	*3.00*	*0.78*	*3.15*	*573.81*
Depreciation Expense - Discontinued Operations	*Nil*	*Nil*	*Nil*	*1.65*	*0.41*	*Nil*	*0.05*	*9.57*	*Nil*	*1.63*	*0.54*	*0.01*	*Nil*	*13.86*
Eliminated on disposal of assets	*Nil*	*Nil*	*Nil*	*(0.83)*	*(0.80)*	*Nil*	*(0.01)*	*(58.32)*	*(0.99)*	*(0.22)*	*(0.24)*	*Nil*	*Nil*	*(61.41)*
Reclassified (to)/from held for sale	*Nil*	*Nil*	*(0.18)*	*(1.92)*	*Nil*	*Nil*	*(0.21)*	*(40.85)*	*(1.06)*	*Nil*	*Nil*	*Nil*	*Nil*	*(44.22)*
Balance as at 31st March, 2017	Nil	*5.34*	*270.32*	*229.79*	*78.91*	*44.79*	*21.05*	*4,548.27*	*949.28*	*43.20*	*22.64*	*19.11*	*27.11*	*6,259.81*
Net carrying amount														
As at 31st March, 2017	***295.67***	***220.31***	***265.21***	***647.77***	***147.77***	***61.31***	***25.43***	***4,798.78***	***1,836.73***	***35.58***	***9.26***	***4.58***	***9.90***	***8,358.30***
As at 1st April, 2016	***343.28***	***222.69***	***277.13***	***635.85***	***148.31***	***66.91***	***24.94***	***4,929.72***	***1,763.84***	***40.23***	***11.26***	***5.37***	***13.05***	***8,482.58***

Notes: @ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.

* Denotes figures below ₹ 50,000/-.

During the year, in respect of Unit 6 generating station (Power Segment) located at Trombay and considering the high variable cost of generation and the possibility of entering into a long term Power Purchase Agreement (PPA) being remote, management has accordingly tested the Unit for impairment and has considered its recoverable amount of ₹ 28 crore being fair value (less costs of disposal) and recorded an impairment charge of ₹ 100 crore.

The fair value on account of non renewal of PPA has been determined based on a valuation report given by an expert which uses Level 3 valuation techniques, the key assumption being prices of steel scrap.

The shareholders have approved schemes of arrangement for transfer of 499.5 MW clean energy assets of the Company to wholly owned subsidiaries, as a "going concern" on a slump sale basis. The necessary documents have been filed with the National Company Law Tribunal (NCLT) for its final order.

The effect of the schemes would be recognized on receipt of statutory approvals.

Notes to the Financial Statements

6. Investment Property

Accounting Policy

Investment property held to earn rentals or for capital appreciation are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss. Gain or loss on disposal of investment properties is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

₹ crore

	Building Given under Operating Lease	Total
Cost		
Balance as at 1st April, 2017	3.08	3.08
Additions	Nil	Nil
Reclassified to Property, Plant and Equipment	(3.08)	(3.08)
Balance as at 31st March, 2018	Nil	Nil
Accumulated amortisation and impairment		
Balance as at 1st April, 2017	2.12	2.12
Depreciation expense	0.04	0.04
Reclassified to Property, Plant and Equipment	(2.16)	(2.16)
Balance as at 31st March, 2018	Nil	Nil
Net carrying amount		
As at 31st March, 2018	**Nil**	**Nil**
As at 31st March, 2017	**0.96**	**0.96**

₹ crore

	Building Given under Operating Lease	Total
Cost		
Balance as at 1st April, 2016	*3.08*	*3.08*
Balance as at 31st March, 2017	*3.08*	*3.08*
Accumulated amortisation and impairment		
Balance as at 1st April, 2016	*2.07*	*2.07*
Depreciation expense	0.05	*0.05*
Balance as at 31st March, 2017	*2.12*	*2.12*
Net carrying amount		
As at 31st March, 2017	***0.96***	***0.96***
As at 1st April, 2016	***1.01***	***1.01***

Notes:

Buildings include ₹ 500/- being cost of ordinary shares in a co-operative society.

Information regarding Income and expenditure of Investment properties

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
Rental Income	0.58	*Nil*
Direct Operating Expense arising from Investment Property that generated rental income during the year	(0.07)	*Nil*
Direct Operating Expense arising from Investment Property that did not generate rental income during the year	Nil	*0.18*
Net Income/(Expense)	**0.51**	***(0.18)***

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique (Refer Note below)	Fair Value Hierarchy	Fair Value As at 31st March, 2018 ₹ crore	*Fair Value As at 31st March, 2017 ₹ crore*	*Fair Value As at 1st April, 2016 ₹ crore*
Building	Market Comparable Approach	Level 2	Nil	*15.29*	*13.47*

Fair Value :

The Investment Property is located in Mumbai, India, has been reclassified as Property, Plant and Equipment during the year ended 31st March, 2018. The fair value of the property as at 31st March, 2017 and 1st April, 2016 have been arrived at on the basis of a valuation carried out as on the respective dates by independent valuer. The fair value was derived using the market comparable approach based on recent market prices for similar properties in the neighbourhood without significant adjustment being made to the market observable data, but adjusted based on the valuer's knowledge of the factors specific to the property.

During the year, the Company has started using the said property for its own business purpose and hence transferred the said Investment Property to Property, Plant and Equipment.

Notes to the Financial Statements

7. Intangible Assets

Accounting Policy

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Derecognition of Intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of asset	Useful lives
Computer software	5 years
Copyrights, patents, other intellectual property rights, services and operating rights	5 years
Licences and franchises	5 years

₹ crore

	Computer software $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2017	212.30	104.16	0.26	316.72
Additions	18.32	16.45	Nil	34.77
Transferred to Discontinued Operations	(24.95)	(120.08)	Nil	(145.03)
Disposal	(0.04)	Nil	Nil	(0.04)
Balance as at 31st March, 2018	205.63	0.53	0.26	206.42
Accumulated amortisation and impairment				
Balance as at 1st April, 2017	83.46	43.13	0.26	126.85
Amortisation expense - Continued Operations	37.15	0.02	Nil	37.17
Amortisation expense - Discontinued Operations	3.40	15.81	Nil	19.21
Transferred to Discontinued Operations	(11.47)	(58.48)	Nil	(69.95)
Disposal	(0.04)	Nil	Nil	(0.04)
Balance as at 31st March, 2018	112.50	0.48	0.26	113.24
Net carrying amount				
As at 31st March, 2018	**93.13**	**0.05**	**Nil**	**93.18**
As at 31st March, 2017	**128.84**	**61.03**	**Nil**	**189.87**

₹ crore

	Computer software $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2016	*148.02*	*68.82*	*0.26*	*217.10*
Additions	*64.28*	*35.34*	*Nil*	*99.62*
Balance as at 31st March, 2017	*212.30*	*104.16*	*0.26*	*316.72*
Accumulated amortisation and impairment				
Balance as at 1st April, 2016	*49.07*	*27.23*	*0.26*	*76.56*
Amortisation expense	*31.12*	0.02	Nil	*31.14*
Amortisation expense - Discontinued Operations	*3.27*	15.88	Nil	19.15
Balance as at 31st March, 2017	*83.46*	*43.13*	*0.26*	*126.85*
Net carrying amount				
As at 31st March, 2017	***128.84***	***61.03***	***Nil***	***189.87***
As at 1st April, 2016	***98.95***	***41.59***	***Nil***	***140.54***

Notes:

Internally generated intangible assets.
$ Other than internally generated intangible assets.

Depreciation/Amortisation:

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Depreciation on Tangible Assets	626.00	*573.81*
Add: Amortisation on Intangible Assets	37.17	*31.14*
Add: Depreciation on Investment Property	0.04	*0.05*
Total	**663.21**	***605.00***

Notes to the Financial Statements

8. Non-current Investments

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
I Investments carried at cost less impairment, if any							
(A) Investment in Subsidiaries							
(i) Investment in Equity Shares fully paid-up (unless otherwise stated)							
Quoted							
NELCO Ltd.	1,10,99,630	*1,10,99,630*	*1,10,99,630*	10	11.07	*11.07*	*11.07*
Unquoted							
Tata Power Trading Co. Ltd.	1,60,00,000	*1,60,00,000*	*1,60,00,000*	10	37.09	*37.09*	*37.00*
Maithon Power Ltd.	111,65,99,120	*111,65,99,120*	*111,65,99,120*	10	1,116.83	*1,116.83*	*1,116.83*
Coastal Gujarat Power Ltd. (Refer Note 7 below)	608,34,20,000	*608,34,20,000*	*603,04,20,000*	10	6,676.26 **	*6,676.26*	*6,443.85*
Bhira Investments Ltd.	10,00,000	*10,00,000*	*10,00,000*	USD 1	4.10	*4.10*	*4.10*
Bhivpuri Investments Ltd.	7,46,250	*7,46,250*	*7,46,250*	Euro 1	4.08	*4.08*	*4.08*
Tata Power Green Energy Limited	50,000	*Nil*	*Nil*	10	0.02	*Nil*	*Nil*
Khopoli Investments Ltd.	4,70,07,350	*4,70,07,350*	*4,70,07,350*	USD 1	255.20	*255.20*	*255.20*
Trust Energy Resources Pte. Ltd.	12,91,53,344	*12,91,53,344*	*12,47,63,344*	USD 1	607.95	*607.95*	*575.02*
Tata Power Delhi Distribution Ltd. (Refer Note 7 below)	28,15,20,000	*28,15,20,000*	*28,15,20,000*	10	200.93	*200.93*	*200.93*
TP Ajmer Distribution Ltd.	10,000	*Nil*	*Nil*	10	0.01	*Nil*	*Nil*
Tata Power Jamshedpur Distribution Ltd.	80,50,000	*80,50,000*	*80,50,000*	10	8.05 **	*8.05 ***	*8.05 ***
Industrial Power Utility Ltd.	1,10,000	*1,10,000*	*1,10,000*	10	0.11	*0.11*	*0.11*
Tata Ceramics Ltd. (Refer Note 6 below)	Nil	*91,10,000*	*91,10,000*	2	Nil *	*9.11 ***	*9.11 ***
Tata Power Renewable Energy Ltd. (Refer Note 7 below)	104,51,07,715	*56,61,07,715*	*50,61,07,715*	10	1,054.03	*575.05*	*506.11*
Tata Power Solar Systems Ltd.	2,29,77,567	*2,29,77,567*	*2,29,77,567*	100	322.98	*322.98*	*322.98*
Tata Power International Pte. Ltd.	6,77,30,650	*6,77,30,650*	*1,79,50,000*	USD 1	577.55 **	*577.55*	*264.35*
Af-Taab Investment Co. Ltd.	10,73,000	*10,73,000*	*10,73,000*	100	68.68	*68.68*	*68.68*
					10,933.87	*10,463.97*	*9,816.40*
** *Less:* Impairment in the value of Investments [Refer Note (a) and (b)]					4,140.60	*17.16*	*17.16*
					6,793.27	*10,446.81*	*9,799.24*
(ii) Investment in Perpetual Securities							
Unquoted							
Tata Power Renewable Energy Ltd. (Refer Note 5 below)	N.A.	*N.A.*	*N.A.*		3,895.00	*3,895.00*	*Nil*
Coastal Gujarat Power Ltd. (Refer Note 5 below)	N.A.	*N.A.*	*N.A.*		5,476.89	*4,459.89*	*Nil*
					9,371.89	*8,354.89*	*Nil*
					16,176.23	*18,812.77*	*9,810.31*
(B) Investment in Associates							
Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
Tata Communications Ltd.	Nil	*1,34,22,037*	*1,34,22,037*	10	Nil *	*343.81*	*343.81*
Unquoted							
Yashmun Engineers Ltd.	19,200	*19,200*	*19,200*	100	0.01	*0.01*	*0.01*
The Associated Building Co. Ltd.	1,400	*1,400*	*1,400*	900	0.13	*0.13*	*0.13*
Tata Projects Ltd.	Nil	*9,67,500*	*9,67,500*	100	Nil *	*85.01*	*85.01*
Dagachhu Hydro Power Corporation Ltd.	10,74,320	*10,74,320*	*10,74,320*	Nu 1,000	107.43	*107.43*	*107.43*
Panatone Finvest Ltd.	Nil	*59,08,82,000*	*59,08,82,000*	10	Nil *	*600.00*	*600.00*
					107.57	*792.58*	*792.58*
					107.57	*1,136.39*	*1,136.39*
(C) Investment in Joint Ventures							
Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Tubed Coal Mines Ltd.	1,01,97,800	*1,81,97,800*	*1,81,17,800*	10	10.20 **	*18.20 ***	*18.12 ***
Itezhi Tezhi Power Corporation (Refer Note 7 below)	4,52,500	*4,52,500*	*4,52,500*	ZMW 1	275.74	*275.74*	*275.74*
Mandakini Coal Company Ltd. (Refer Note 7 below)	3,93,00,000	*3,93,00,000*	*3,93,00,000*	10	39.30 **	*39.30 ***	*39.30 ***
Powerlinks Transmission Ltd. (Refer Note 7 below)	23,86,80,000	*23,86,80,000*	*23,86,80,000*	10	238.68	*238.68*	*238.68*
Industrial Energy Ltd. (Refer Note 7 below)	49,28,40,000	*49,28,40,000*	*49,28,40,000*	10	492.84	*492.84*	*492.84*
LTH Milcom Private Limited	Nil	*66,660*	*Nil*	10	Nil *	*0.07*	*Nil*
Dugar Hydro Power Ltd.	4,32,50,002	*4,32,50,002*	*4,32,50,002*	10	43.42 **	*43.25 ***	*43.25*
					1,100.18	*1,108.08*	*1,107.93*
***Less:* Impairment in the value of Investments**					67.50	*75.50*	*57.42*
					1,032.68	*1,032.58*	*1,050.51*
Sub-total I (A) + I (B) + I (C)					17,316.48	*20,981.74*	*11,997.21*
Carried over					17,316.48	*20,981.74*	*11,997.21*

Notes to the Financial Statements

8. Non-current Investments *(Contd.)*

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Brought forward........					17,316.48	*20,981.74*	*11,997.21*
II Investments carried at Fair Value through Statement of Profit and Loss							
Investments in Subsidiaries							
Investment in Preference Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Tata Power International Pte. Ltd.	Nil	*Nil*	*6,48,59,930*	USD 1	Nil	*Nil*	*258.27*
III Investments carried at Fair Value through Other Comprehensive Income							
Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
HDFC Bank Ltd.	Nil	*7,500*	*7,500*	2	Nil	*1.08*	*0.80*
IDBI Bank Ltd.	Nil	*1,42,720*	*1,42,720*	10	Nil	*1.07*	*1.00*
Voltas Ltd.	2,33,420	*2,33,420*	*2,33,420*	1	14.50	*9.62*	*6.49*
Tata Consultancy Services Ltd.	383	*452*	*452*	1	0.11	*0.11*	*0.12*
Tata Teleservices (Maharashtra) Ltd.	Nil	*Nil*	*13,72,63,174*	10	Nil *	*Nil* *	*90.59*
					14.61	*11.88*	*99.00*
Unquoted							
Tata Services Ltd.	1,112	*1,112*	*1,112*	1,000	Nil	*Nil*	*Nil*
Indian Energy Exchange Ltd.	Nil	*Nil*	*12,50,000*	10	Nil	*Nil* *	*98.04*
Tata Industries Ltd.	58,28,126	*58,28,126*	*58,28,126*	100	102.69	*102.69*	*102.69*
Tata Sons Ltd.	6,673	*6,673*	*6,673*	1,000	241.95	*241.95*	*241.95*
Haldia Petrochemicals Ltd.	2,24,99,999	*2,24,99,999*	*2,24,99,999*	10	56.48	*56.48*	*56.48*
Tata International Limited	3,500	*3,500*	*3,500*	1,000	3.75	*3.75*	*3.75*
Tata Teleservices Ltd. (Refer Note 7 below)	Nil	*32,83,97,823*	*32,83,97,823*	10	Nil *	*384.88*	*509.34*
					404.87	*789.75*	*1,012.25*
					419.48	*801.63*	*1,111.25*
IV Investments carried at Amortised Cost							
(A) Investment in Subsidiaries							
(i) Investment in Preference Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Tata Power Delhi Distribution Ltd. (Refer Note 7 below)	2,55,00,000	*2,55,00,000*	*2,55,00,000*	100	255.00	*255.00*	*255.00*
Tata Ceramics Limited (Refer Note 6 below)	Nil	*4,00,000*	*4,00,000*	100	Nil *	*5.10*	*4.81*
					255.00	*260.10*	*259.81*
(B) Statutory Investments							
(i) Contingencies Reserve Fund Investments							
Government Securities (Unquoted)							
7.88% GOI (2030)	10,00,000	*10,00,000*	*10,00,000*	100	10.00	*10.00*	*10.00*
6.79% GOI (2029)	10,00,000	*10,00,000*	*Nil*	100	9.59	*9.59*	*Nil*
8.28% GOI (2027)	11,30,000	*11,30,000*	*11,30,000*	100	11.30	*11.30*	*11.30*
8.24% GOI (2027)	9,65,000	*9,65,000*	*9,65,000*	100	9.65	*9.65*	*9.65*
8.33% GOI (2026)	7,50,000	*7,50,000*	*7,50,000*	100	7.50	*7.50*	*7.50*
7.16% GOI (2023)	24,00,000	*9,00,000*	*9,00,000*	100	24.00	*9.00*	*9.00*
6.17% GOI (2023)	14,60,000	*Nil*	*Nil*	100	14.56	*Nil*	*Nil*
6.84% GOI (2022)	66,000	*66,000*	*Nil*	100	0.67	*0.67*	*Nil*
8.19% GOI (2020)	7,03,000	*7,03,000*	*7,03,000*	100	7.03	*7.03*	*7.03*
6.35% GOI (2020)	17,35,000	*16,01,300*	*16,01,300*	100	17.44	*16.01*	*16.01*
7.83% GOI (2018)	Nil	*10,00,000*	*10,00,000*	100	Nil	*10.00*	*10.00*
7.99% GOI (2017)	Nil	*Nil*	*8,48,700*	100	Nil	*Nil*	*8.49*
7.49% GOI (2017)	Nil	*Nil*	*7,36,000*	100	Nil	*Nil*	*7.36*
					111.74	*90.75*	*96.34*
Carried over..........					18,102.70	*22,134.22*	*13,722.88*

Notes to the Financial Statements

8. Non-current Investments *(Contd.)*

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Brought forward..........					18,102.70	*22,134.22*	*13,722.88*
(ii) Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
8.28% GOI (2027)	61,45,000	*61,45,000*	*61,45,000*	100	61.45	*61.45*	*61.45*
8.20% GOI (2025)	20,00,000	*20,00,000*	*20,00,000*	100	20.00	*20.00*	*20.00*
7.35% GOI (2024)	31,00,000	*31,00,000*	*31,00,000*	100	31.00	*31.00*	*31.00*
8.15% GOI (2022)	29,75,000	*29,75,000*	*29,75,000*	100	29.75	*29.75*	*29.75*
8.19% GOI (2020)	19,40,000	*19,40,000*	*19,40,000*	100	19.40	*19.40*	*19.40*
6.35% GOI (2020)	76,15,000	*2,48,700*	*2,48,700*	100	76.15	*2.49*	*2.49*
6.05% GOI (2019)	42,00,000	*42,00,000*	*42,00,000*	100	42.00	*42.00*	*42.00*
6.25% GOI (2018)	Nil	*Nil*	*15,00,000*	100	Nil	*Nil*	*15.00*
7.99% GOI (2017)	Nil	*Nil*	*33,49,300*	100	Nil	*Nil*	*33.49*
7.49% GOI (2017)	Nil	*Nil*	*25,00,000*	100	Nil	*Nil*	*25.00*
					279.75	*206.09*	*279.58*
Sub-total IV (B) (i) + IV (B) (ii)					391.49	*296.84*	*375.92*
Sub-total IV (A) + IV (B)					**646.49**	***556.94***	***635.73***
Total					**18,382.45**	***22,340.31***	***14,002.46***

Notes:

* Re-classified as Asset Held For Sale (Refer Note 18)

** Impairment in value of Investments

1.	Aggregate Market Value of Quoted Investments	185.92	*1,068.43*	*705.37*
2.	Aggregate Carrying Value of Quoted Investments	25.68	*366.76*	*453.88*
3.	Aggregate Carrying Value of Unquoted Investments	22,564.87	*22,066.21*	*13,623.16*
4.	Aggregate amount of impairment in value of Investments	4,208.10	*92.66*	*74.58*

5. The Company has invested in unsecured subordinated perpetual securities issued by Tata Power Renewable Energy Limited and Coastal Gujarat Power Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. The interest can be deferred if the issuer does not pay any dividend on its ordinary shares for the financial year. The issuer has classified this instrument as equity under Ind AS -32 Financial Instruments Presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS -27 Separate Financial Statements.

6. The Company, along with its subsidiary, has 30.68% shareholding in Tata Ceramics Limited (TCL). Further, TCL has issued Redeemable Cumulative Convertible Preference Shares which have been fully subscribed by the Company and its subsidiaries. As the dividend on the said Preference Shares has remained unpaid for more than two years, the preference shareholders have assumed voting rights along with the equity shareholders. The aggregate voting power (together with voting power on preference shares) with the Company along with its subsidiaries is at 57.07%. As the Company has sufficient dominant voting interest to direct TCL's relevant activities, investment in the said Company has been considered as investment in subsidiary.

7. Shares pledged :

   The Company has pledged shares of subsidiaries, joint ventures and other investments, with the lenders for borrowings availed by the respective subsidiaries, joint ventures and TTSL.

Details	**Category**	**31st March, 2018 Nos.**	***31st March, 2017 Nos.***	***1st April, 2016 Nos.***
Coastal Gujarat Power Ltd.	Subsidiary	310,25,44,200	*310,25,44,200*	*307,55,14,200*
Tata Power Renewable Energy Ltd.	Subsidiary	25,81,14,935	*25,81,14,935*	*25,81,14,935*
Itezhi Tezhi Power Corporation	Joint Venture	4,52,500	*4,52,500*	*4,52,500*
Mandakini Coal Company Ltd.	Joint Venture	2,00,43,000	*2,00,43,000*	*2,00,43,000*
Powerlinks Transmission Ltd.	Joint Venture	23,86,80,000	*23,86,80,000*	*23,86,80,000*
Industrial Energy Ltd.	Joint Venture	25,13,48,400	*12,56,74,200*	*12,56,74,200*
Tata Teleservices Ltd.	Other Investments	Nil	*18,27,08,138*	*18,27,08,138*

Further, the Company has given an undertaking in respect of equity shares for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings.

Notes to the Financial Statements

8. Non-current Investments *(Contd.)*

(a) The Company holds investments in Coastal Gujarat Power Limited (CGPL) (a wholly owned subsidiary of the Company operating 4,000 MW Mundra power plant), Indonesian mining companies PT Kaltim Prima Coal (KPC) and PT Baramulti Suksessarana TBK (BSSR) through intermediate holding companies (associates operating coal mines in Indonesia and supplying coal to CGPL) and Trust Energy Resources Pte. Ltd. (TERPL) and Eastern Energy Pte. Ltd. (EEPL) (shipping companies in Singapore providing freight services for coal shipment to CGPL). All these companies constitute a single cash generating unit (CGU) and form part of Power segment. CGPL is incurring significant losses on account of significant increase in coal prices due to change in Indonesian laws which is offset by the profits earned by the mining companies.

The Company has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. Projected cash flows include cash flow projections approved by management covering 3 to 5 year period and the cash flows beyond that has been projected based on the long term forecast.

As a result of this analysis, management has recognized an impairment charge of ₹ 3,555 crore in the current year against the carrying value of equity investments in CGPL. The impairment charge is recorded in the statement of profit and loss and disclosed as an exceptional item.

Key assumptions used for value in use calculation include coal prices, energy prices post the PPA period, discount rates and exchange rates. Coal prices and energy prices used in the projections are based on projections made by reputed external experts. Further, the Management has considered renewal of coal mines which would be extended without incurring significant cost. Discount rate represents the current market assessment of the risk specific to CGU taking in to consideration the time value of money. Discount rate used in the calculation of value in use of investment in power plant is 11.15% (*PY: 11.15%*) and investment in coal mines and related infrastructure companies is 11.45% (*PY: 11.45%*).

(b) The Company holds investments in Adjaristsqali Netherlands B.V. (ABV) (a joint venture of the Company operating 187 MW hydro power plant in Georgia) through intermediate holding company Tata Power International Pte. Ltd. (TPIPL). ABV was incorporated to setup a hydro power plant in Georgia with an intent to sell power in the open market in Turkey. The continuous fall in power price in the open market in Turkey coupled with continuous devaluation of Turkish Lira indicates a potential impairment of the assets of the Georgia CGU included in Power segment.

The Company has performed the impairment assessment and determined the value in use based on estimated cash flow projections over the life of the assets included in CGU. Projected cash flows include cash flow projections approved by management covering 3 to 5 year period and the cash flows beyond that has been projected based on the long term forecast.

As a result of this analysis, management has recognized an impairment charge of ₹ 577.55 crore in the current year against the carrying value of equity investments in TPIPL. The financial guarantee obligation of ₹ 97.77 crore is undertaken on behalf of TPIPL towards the lenders of the said project. The impairment charge and financial guarantee obligation amounting to ₹ 675.32 crore is recorded in the statement of profit and loss and disclosed as an exceptional item.

Key assumptions used for value in use calculation include power prices in the open market in Turkey, discount rates and exchange rates. Discount rate represents the current market assessment of the risk specific to CGU taking in to consideration the time value of money. The discount rate used in the calculation of value in use is 12%.

(c) The Company holds equity shares of Tata Teleservices Limited (TTSL) which are measured at Fair Value Through Other Comprehensive Income. The Company had also written put options on equity shares of TTSL which have been exercised by the holder and the shares have been acquired during the year ended 31st March, 2018. The changes in the fair value of these put options are recognized in the Statement of Profit and Loss. During the year ended 31st March, 2018, the Company recognized a fair value adjustment of ₹ 384.88 crore *(31st March, 2017 - ₹ 114.46 crore)* through Other Comprehensive Income and ₹ 107.08 crore *(31st March, 2017 - ₹ 651.45 crore)* as an exceptional expense in the statement of profit and loss.

Notes to the Financial Statements

9. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current Trade Receivables			
Considered good			
Trade Receivables from Others	185.76	185.76	185.76
Total	**185.76**	**185.76**	**185.76**
Current Trade Receivables			
Considered good	972.05	1,234.82	1,058.08
Considered doubtful	36.66	43.70	24.40
	1,008.71	1,278.52	1,082.48
Less: Allowance for Doubtful Trade Receivables	36.66	43.70	24.40
Total	**972.05**	**1,234.82**	**1,058.08**

Note:

The Company holds security deposits of ₹ 190.52 crore (*31st March, 2017 - ₹ 174.57 crore, 1st April, 2016 - ₹ 170.29 crore*) in respect of electricity receivables.

9.1 Trade Receivables

The average credit period for the Company's receivables from its generation, transmission, distribution and project management services is in the range of 15 to 60 days. No interest is charged on trade receivables till the due date. Thereafter, interest is charged at an average of 1.25% per month for retail electricity consumers on the outstanding balance.

As at 31st March, 2018, ₹ 694.48 crore is due from Brihanmumbai Electric Supply & Transport Undertaking, Reliance Infrastructure Ltd., Maharashtra State Electricity Transmission Company Limited and Tata Steel Limited which represents Company's large customers who owe more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is not calculated on non-current trade receivable since it is a disputed case. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing of receivables	**Expected Credit loss (%)** As at 31st March, 2018
Within the credit period	0.05%
1-90 days past due	0.34%
91-182 days past due	1.34%
More than 182 days past due	7.80%

Ageing of receivables

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Within the credit period	740.98	813.69	762.15
1-90 days past due	80.81	112.71	79.05
91-182 days past due	31.92	126.88	53.29
More than 182 days past due	340.76	411.00	373.75

Movement in the allowance for doubtful trade receivables

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore
Balance at the begining of the year	43.70	24.40
Add: Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	2.62	1.87
Add: Specific allowance on trade receivables for the year $	Nil	17.43
Less: Transferred to Assets held for sale (Refer Note 18)	(9.66)	Nil
Balance at the end of the year	**36.66**	**43.70**

$ As at 31st March, 2017, ₹ 17.43 crore is due from customers whose supply contracts have been terminated because of disputes. This amount has been fully provided for.

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with adequate security deposit.

Notes to the Financial Statements

10. Loans

(Unsecured unless otherwise stated)

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current			
Loans to Related Parties			
Considered good	15.56	*15.48*	*3,636.85*
Considered doubtful	55.52	*55.46*	*55.43*
	71.08	*70.94*	*3,692.28*
Less: Allowance for Doubtful Loans	55.52	*55.46*	*55.43*
	15.56	*15.48*	*3,636.85*
Other Loans			
Loans to Employees	6.53	*7.34*	*7.62*
Total	**22.09**	***22.82***	***3,644.47***
Current			
Loans and Advances to Related Parties			
Unsecured, considered good	402.25	*Nil*	*106.00*
Total	**402.25**	***Nil***	***106.00***

Disclosure under Regulation 34 (3) of Securities and Exchange Board of India (SEBI) (listing obligations and disclosure requirements) Regulations, 2015

Loans and advances (excluding advance towards equity) in the nature of loans given to Subsidiaries, Joint Ventures and Associates:

Name of the Company		Relationship	Amount Outstanding as at the year end ** ₹ crore	Maximum Principal Amount Outstanding during the year (excluding interest accrued) ₹ crore
Tata Power Renewable Energy Ltd.	2018	Subsidiary	Nil	Nil
	2017		*Nil*	*182.00*
	2016		*107.33*	*106.00*
Coastal Gujarat Power Ltd.	2018	Subsidiary	339.15	556.50
	2017		*Nil*	*3,544.30*
	2016		*3,795.89*	*3,734.30*
Maithon Power Ltd.	2018	Subsidiary	Nil	Nil
	2017		*Nil*	*123.50*
	2016		*123.50*	*123.50*
Tata Power Jamshedpur Distribution Ltd $	2018	Subsidiary	1.24	Nil
	2017		*1.24*	*0.01*
	2016		*1.24*	*7.92*
NELCO Ltd	2018	Subsidiary	Nil	Nil
	2017		*Nil*	*Nil*
	2016		*Nil*	*5.00*
Tata Ceramics Ltd	2018	Subsidiary	1.00	1.00
	2017		*Nil*	*Nil*
	2016		*Nil*	*Nil*
TP Ajmer Distribution Ltd	2018	Subsidiary	31.06	39.28
	2017		*Nil*	*Nil*
	2016		*Nil*	*Nil*
Industrial Energy Ltd	2018	Joint Venture	Nil	Nil
	2017		*Nil*	*Nil*
	2016		*Nil*	*39.86*
Mandakini Coal Company Ltd. $	2018	Joint Venture	54.25	54.25
	2017		*54.18*	*54.18*
	2016		*54.16*	*54.16*
Itezhi Tezhi Power Corporation	2018	Joint Venture	17.39	15.56
	2017		*16.83*	*29.05*
	2016		*29.05*	*29.05*
Nelito Systems Ltd. $	2018	Associate	1.27	1.27
	2017		*1.27*	*1.27*
	2016		*1.27*	*1.27*
Indo Rama Renewables Jath Limited	2018	Subsidiary	36.61	35.00
	2017		*Nil*	*Nil*
	2016		*Nil*	*Nil*

Notes:

** Including interest accrued.

$ Provided for.

Previous year's figures are in italics.

Notes to the Financial Statements

11. Finance Lease Receivable

(Unsecured unless otherwise stated)

Accounting Policy

Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Finance Lease Receivable - Non-current..............	574.76	*573.47*	*617.63*
Finance Lease Receivable - Current........................	34.27	*39.16*	*48.80*
Total	**609.03**	***612.63***	***666.43***

11.1 Leasing Arrangements

The Company has entered into Power Purchase Agreements (PPA) with a customer for its assets located at Jojobera. The assets relate to 30 years of take or pay agreements with the customer to supply electricity at a fixed plus variable charge. The customer, during the term of the PPAs has a right to purchase the assets and at the end of the contract is obligated to purchase the same on the basis of the valuation determined under the PPAs. This arrangement is an embedded finance lease.

11.2 Amount receivable under Finance Lease

	Minimum Lease Payments			Present Value of Minimum Lease Payments		
	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Not later than one year	107.94	*107.58*	*138.42*	23.74	*23.37*	*48.73*
Later than one year and not later than five years	520.65	*504.71*	*512.42*	158.43	*133.47*	*123.14*
Later than five years	713.51	*795.49*	*900.42*	426.86	*455.79*	*494.56*
	1,342.10	***1,407.78***	***1,551.26***	**609.03**	***612.63***	***666.43***
Unearned finance income...........	733.07	*795.15*	*884.83*			
Present value of minimum lease payments receivable....................	**609.03**	***612.63***	***666.43***	**609.03**	***612.63***	***666.43***
Allowance for uncollectible lease payments	Nil	*Nil*	*Nil*	Nil	*Nil*	*Nil*
	609.03	***612.63***	***666.43***	**609.03**	***612.63***	***666.43***
Unguaranteed residual life	Nil	*Nil*	*Nil*	Nil	*Nil*	*Nil*
Total...	**609.03**	***612.63***	***666.43***	**609.03**	***612.63***	***666.43***

The interest rate inherent in the leases is fixed at the contract for the entire lease term. The average effective interest rate contracted is approximately in the range of 12.62% - 16.34% per annum (*as at 31st March, 2017: 12.76% - 16.34% per annum, as at 1st April 2016: 12.76% - 16.34% per annum*)

Notes to the Financial Statements

12. Other Financial Assets

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Financial Assets from Related Parties	Nil	Nil	34.14
Interest Accrued on Loans to Related Parties	Nil	Nil	311.59
Doubtful			
Interest Accrued on Loans to Related Parties	1.24	1.24	1.24
	1.24	1.24	346.97
Less: Allowance for Doubtful Interest	1.24	1.24	1.24
	Nil	Nil	345.73
(ii) Security Deposits			
Unsecured, considered good	46.81	54.76	52.08
Doubtful	29.54	31.93	29.43
	76.35	86.69	81.51
Less: Allowance for Doubtful Deposits	29.54	31.93	29.43
	46.81	54.76	52.08
(iii) Others			
Unsecured, considered good			
Advance towards Equity	Nil	168.00	Nil
Regulatory Assets other than Distribution Business	675.98	771.09	879.75
Other Advances [Refer Note 8(c)]	Nil	138.55	Nil
	675.98	1,077.64	879.75
Total	**722.79**	**1,132.40**	**1,277.56**
Current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Inter-corporate/Bank Deposits	0.24	Nil	0.48
Interest Accrued on Investments	6.51	6.45	6.33
Interest Accrued on Finance Lease Receivable	7.15	11.73	12.08
Interest Accrued on Financial Assets at Amortised Cost	30.60	30.60	30.60
Interest Accrued on Loans to Related Parties	7.40	1.35	1.33
Doubtful			
Interest Accrued on Inter-corporate Deposits	1.40	1.49	4.02
	53.30	51.62	54.84
Less: Allowance for Doubtful Interest	1.40	1.49	4.02
	51.90	50.13	50.82
(ii) Security Deposits			
Unsecured, considered good	0.67	0.59	3.61
(iii) Inter-corporate Deposits			
Unsecured, considered good	Nil	Nil	24.00
(iv) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	136.38	212.64	85.09
Dividend Receivable	245.87	92.23	Nil
Derivative Contracts	Nil	Nil	12.17
Insurance Claims Receivable	Nil	21.15	36.40
Other Receivables	0.01	Nil	Nil
	382.26	326.02	133.66
Total	**434.83**	**376.74**	**212.09**

Notes to the Financial Statements

13. Other Assets

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current			
(i) Capital Advances			
Unsecured, considered good	3.19	39.94	36.43
Doubtful	0.12	0.21	0.24
	3.31	40.15	36.67
Less: Allowance for Doubtful Advances	0.12	0.21	0.24
	3.19	39.94	36.43
(ii) Security Deposits			
Unsecured, considered good	227.00	227.00	227.00
(iii) Balances with Government Authorities			
Unsecured, considered good			
Advances	48.86	27.09	0.10
Amount Paid Under Protest	16.22	164.96	164.93
VAT/Sales Tax Receivable	58.04	76.14	103.34
	123.12	268.19	268.37
(iv) Unamortised Premium for Leasehold Land			
Unsecured, considered good	204.84	329.14	359.85
(v) Others			
Unsecured, considered good			
Prepaid Expenses	1.57	9.31	16.43
Others	Nil	11.25	13.19
Doubtful	0.96	2.22	2.15
	2.53	22.78	31.77
Less: Allowance for Doubtful Advances	0.96	2.22	2.15
	1.57	20.56	29.62
Total	**559.72**	**884.83**	**921.27**
Current			
(i) Balances with Government Authorities			
Unsecured, considered good			
Advances	6.53	34.76	54.20
(ii) Unamortised Premium for Leasehold Land			
Unsecured, considered good	3.24	14.50	14.50
(iii) Others			
Unsecured, considered good			
Prepaid Expenses	34.38	14.89	15.25
Advances to Vendors	125.95	197.32	215.16
Other Advances	2.77	12.50	45.58
Doubtful	0.13	1.47	1.47
	163.23	226.18	277.46
Less: Allowance for Doubtful Advances	0.13	1.47	1.47
	163.10	224.71	275.99
Total	**172 .87**	**273.97**	**344.69**

Notes to the Financial Statements

14. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Costs of inventories are determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Inventories (lower of cost and net realisable value)			
(a) Raw Materials			
Fuel - Stores	184.74	*202.68*	*273.60*
Fuel-in-Transit	39.65	*107.08*	*60.05*
(b) Work-In-Progress	Nil	*22.83*	*15.45*
(c) Stores and Spares			
Stores and Spare Parts	149.09	*257.06*	*262.31*
Stores-in-Transit	Nil	*4.44*	*15.01*
(d) Loose Tools	0.24	*0.30*	*0.25*
(e) Others			
Property under Development	100.50	*76.70*	*62.38*
Total	**474.22**	***671.09***	***689.05***

During the year ended 31st March, 2018 the Company has recognised ₹ 46.91 crore (*31st March, 2017 - ₹ 62.74 crore, 1st April, 2016 - ₹ Nil*) as an expense for inventories write down to net realisable value.

15. Current Investments

	As at 31st March, 2018 Quantity	*As at 31st March, 2017 Quantity*	*As at 1st April, 2016 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
I Investment carried at Amortised Cost							
Statutory Investments							
Contingency Reserve Fund Investments							
Government Securities (Unquoted)							
7.83% GOI (2018)	10,00,000	*Nil*	*Nil*	100	10.00	*Nil*	*Nil*
7.99% GOI (2017)	Nil	*8,48,700*	*Nil*	100	Nil	*8.49*	*Nil*
7.49% GOI (2017)	Nil	*7,36,000*	*Nil*	100	Nil	*7.36*	*Nil*
7.59% GOI (2016)	Nil	*Nil*	*19,000*	*100*	Nil	*Nil*	*0.19*
					10.00	*15.85*	*0.19*
Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
6.25% GOI (2018)	Nil	*15,00,000*	*Nil*	100	Nil	*15.00*	*Nil*
7.99% GOI (2017)	Nil	*33,49,300*	*Nil*	100	Nil	*33.49*	*Nil*
7.49% GOI (2017)	Nil	*25,00,000*	*Nil*	100	Nil	*25.00*	*Nil*
					Nil	*73.49*	*Nil*
Other Investments							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*Nil*	*3,000*	100	Nil	*Nil*	*0.03*
					10.00	*89.34*	*0.22*
II Investments carried at Fair Value through Profit and Loss							
Mutual Funds (Unquoted)							
Tata FMP - Series 44 - Scheme B - Growth	Nil	*Nil*	*1,19,51,665*	10,000	Nil	*Nil*	*15.02*
Tata FMP - Series 46 - Scheme A - Growth	Nil	*Nil*	*31,68,325*	10,000	Nil	*Nil*	*3.85*
Tata FMP - Series 45 - Scheme D - Growth	Nil	*Nil*	*13,01,188*	10,000	Nil	*Nil*	*1.57*
					Nil	*Nil*	*20.44*
III Investments carried at Fair Value through Profit and Loss							
Mutual Funds (Unquoted)							
Tata Liquid Fund Plan A - Daily Dividend	Nil	*3,65,549*	*1,37,151*	10,000	Nil	*40.74*	*15.28*
					Nil	*40.74*	*15.28*
Total					**10.00**	***130.08***	***35.94***

Notes:

Aggregate Market Value of Quoted Investments	Nil	*Nil*	*Nil*
Aggregate Carrying Value of Quoted Investments	Nil	*Nil*	*Nil*
Aggregate Carrying Value of Unquoted Investments	10.00	*130.08*	*35.94*

Notes to the Financial Statements

16. Cash and Cash Equivalents

Accounting Policy

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

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
(i) Balances with Banks:			
In Current Accounts	42.94	*43.84*	*32.64*
In Deposit Accounts (with original maturity less than three months)	Nil	*98.00*	*1.22*
(ii) Cash on Hand	Nil	*0.04*	*0.01*
Cash and Cash Equivalents as per Balance Sheet	**42.94**	***141.88***	***33.87***
Bank Overdraft (Refer Note 27)	(95.48)	*(0.32)*	*(148.93)*
Cash and Cash Equivalents as per Statement of Cash Flows	**(52.54)**	***141.56***	***(115.06)***

Reconciliation of liabilities from financing activities

Particulars	**As at 31st March, 2017 ₹ crore**	**Cash flows**		**Reclassified as part of Discontinued Operations ₹ crore**	**Non-cash Transactions ₹ crore**	**As at 31st March, 2018 ₹ crore**
		Proceeds ₹ crore	**Repayment ₹ crore**			
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	14,111.67	2,408.96	(3,697.23)	(578.43)	Nil	12,244.97
Current Borrowings (excluding Bank Overdraft)	2,391.66	11,274.46	(9,468.45)	Nil	33.31	4,230.98
Total	**16,503.33**	**13,683.42**	**(13,165.68)**	**(578.43)**	**33.31**	**16,475.95**

17. Other Balances with Banks

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
(a) In Deposit Accounts	1.94	*1.94*	*0.71*
(b) In Earmarked Accounts-			
Unpaid Dividend Account	13.54	*12.53*	*11.35*
Total	**15.48**	***14.47***	***12.06***

Notes to the Financial Statements

18. Assets classified as held for sale

Accounting Policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

- the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided hereunder. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Land [Refer Note (i)]	97.21	15.83	Nil
Property, Plant and Equipment [Refer Note (ii)]	0.22	24.68	Nil
Investments carried at Fair Value through Other Comprehensive Income [Refer Note (iii)]	69.70	195.21	Nil
Other Investments carried at Cost in Associates [Refer Note (iv)]	1,028.82	Nil	Nil
Investments in Subsidiaries [Refer Note (v)]	Nil	Nil	Nil
Assets of Discontinued Operations [Refer Note (vi)]	2,065.19	Nil	Nil
Total	**3,261.14**	**235.72**	**Nil**

Liabilities associated with assets held for sale

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Liabilities of Discontinued Operations [Refer Note (vi)]	877.56	Nil	Nil
Total	**877.56**	**Nil**	**Nil**

Notes to the Financial Statements

18. Assets classified as held for sale (*Contd.*)

(i) The Company had decided to sell/transfer following land and consequently accounted as assets held for sale at lower of carrying amount and fair value less cost to sell:

(a) Land at Belgaum ₹ 2.90 crore *(31st March, 2017 - ₹ 2.90 crore, 1st April, 2016 - ₹ Nil);*

(b) Land at Tiruldih ₹ 9.72 crore (net of impairment loss of ₹ 34 crore) *(31st March, 2017 - ₹ 9.72 crore, 1st April, 2016 - ₹ Nil);*

(c) Land at Vadaval ₹ 3.21 crore *(31st March, 2017 - ₹ 3.21 crore, 1st April, 2016 - ₹ Nil);*

(d) Land at Naraj Marthapur ₹ 81.38 crore (net of impairment loss of ₹ 31 crore) *(31st March, 2017 - ₹ Nil, 1st April, 2016 - ₹ Nil).*

(ii) The Company ceased power generation at Unit 4 at Trombay, Maharashtra and has disposed of some of the assets at the unit. During the year ended 31st March, 2017, the Company had reclassified property, plant and equipment at the said unit as asset held for sale.

(iii) During the previous year, the Company had decided to divest its investments carried at fair value through other comprehensive income in Tata Teleservices (Maharashtra) Limited and during the year, the Company has decided to divest certain portion of its investments carried at fair value through other comprehensive income in Tata Teleservices Limited. Hence, the said investments have been classified as held for sale at fair value of ₹ 69.70 crore as at 31st March, 2018 (*31st March, 2017 - ₹ 195.21 crore, 1st April, 2016 - ₹ Nil*). Investment in India Energy Exchange Limited (IEX) treated as asset held for sale in the previous year has been disposed off in the current year.

(iv) During the year ended 31st March, 2018, the Company has decided to divest its investments in Tata Projects Limited (₹ 85.01 crore), Tata Communications Limited (₹ 343.81 crore) and Panatone Finvest Limited (₹ 600.00 crore), associate companies. Accordingly, the said investments have been classified as held for sale. No impairment loss has been recognised on reclassification as the Company expects that the fair value less costs to sell is higher than the carrying amount of ₹ 1,028.82 crore as at 31st March, 2018.

(v) During the year ended 31st March, 2018, the Company has decided to divest its investments in equity and preference shares of its subsidiary, Tata Ceramics Limited. Accordingly, the said investments have been classified as held for sale at ₹ Nil (net of impairment ₹ 14.21 crore).

(vi) **Discontinued Operations**

During the year ended 31st March, 2018, the Company has approved sale of its Strategic Engineering Division (SED) to Tata Advanced Systems Limited (TASL) (a wholly owned subsidiary of Tata Sons Limited) as a going concern on slump sale basis, subject to regulatory and shareholders' approvals at an enterprise value of ₹ 2,230 crore (out of which ₹ 1,040 crore payable at the time of closing and ₹ 1,190 crore payable on achieving certain milestones). Accordingly, defence business segment is presented as discontinued operations in the segment note. The date of completion of the transaction is subject to approval by National Company Law Tribunal (NCLT) and such other requisite approvals.

Results of Strategic Engineering Division for the year are presented below

Particulars	**For the year ended 31st March, 2018 ₹ crore**	***For the year ended 31st March, 2017 ₹ crore***
Income		
Revenue from Operations and Other Income	**286.75**	***548.12***
Expenditure		
Cost of Components Consumed	213.37	*349.98*
Employee Benefits Expense	49.40	*34.82*
Finance Costs	8.85	*5.60*
Depreciation & Amortisation	31.17	*33.01*
Other Expenses	69.83	*108.27*
Total Expenses	**372.62**	***531.68***
Profit/(Loss) before tax from Discontinued Operations	**(85.87)**	***16.44***
Tax		
Current Tax/(Credit)	(17.36)	*3.71*
Deferred Tax	3.23	*9.69*
Total Tax	**(14.13)**	***13.40***
Profit/(Loss) for the year from Discontinued Operations	**(71.74)**	***3.04***
Other Comprehensive Income/(Expense)	**0.85**	***Nil***

Notes to the Financial Statements

18. Assets classified as held for sale (*Contd.*)

Major classes of Assets and Liabilities of Strategic Engineering Division classified as held for sale as at 31st March, 2018 are as follows:

	As at 31st March 2018 ₹ crore
Assets	
Property, Plant and Equipment	302.99
Capital Work-in-Progress	361.42
Other Intangible Assets	75.08
Intangible Assets Under Development	351.84
Non-current Financial Assets	4.75
Other Non-current Assets	78.04
Current Assets	
Inventories	102.30
Current Financial Assets	624.87
Other Current Assets	163.90
Assets Classified as held for sale	**2,065.19**
Liabilities	
Non-current Liabilities	
Financial Liabilities	547.38
Provisions	19.05
Current Liabilities	
Financial Liabilities	202.51
Provisions	37.93
Other Current Liabilities	70.69
Liabilities associated with assets classified as held for sale	**877.56**
Net Assets directly associated with Discontinued Operations	**1,187.63**

Net Cash Flows attributable to Strategic Engineering Division are as follows:

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Net Cash Flow from/(used in) Operating Activities	(16.31)	*62.38*
Net Cash Flow from/(used in) Investing Activities	(233.13)	*(272.08)*
Net Cash Flow from/(used in) Financing Activities	237.27	*223.32*
Net Increase/(Decrease) in Cash and Cash Equivalents	**(12.17)**	***13.62***
Cash and Cash Equivalents as at 1st April (Opening Balance)	**14.01**	***0.39***
Cash and Cash Equivalents as at 31st March (Closing Balance)	**1.84**	***14.01***

In respect of the contracts pertaining to the Strategic Engineering Division, disclosures required as per Ind AS 11 are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 273.58 crore *(31st March, 2017 - ₹ 506.13 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2018 ₹ 593.14 crore *(31st March, 2017 - ₹ 1,042.45 crore)*.

(ii) Advances and progress payments received as at 31st March, 2018 ₹ 332.71 crore *(31st March, 2017 - ₹ 615.09 crore, 1st April, 2016 - ₹ 695.37 crore)*.

(iii) Retention money included as at 31st March, 2018 in Sundry Debtors ₹ 29.04 crore *(31st March, 2017 - ₹ 13.13 crore, 1st April, 2016 - ₹ 8.47 crore)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2018 ₹ 31.25 crore *(31st March, 2017 - ₹ 44.20 crore, 1st April, 2016 - ₹ 66.00 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2018 ₹ 291.68 crore *(31st March, 2017 - ₹ 370.03 crore, 1st April, 2016 - ₹ 240.40 crore)*.

Estimated amount of Contracts remaining to be executed on capital account and not provided for is ₹ 103.93 crore.
Contingent Liability of excise duty is amounting to ₹ 14.28 crore.

Notes to the Financial Statements

19. Regulatory Deferral Account

Accounting Policy

The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations. The Company presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances and related deferred tax balances; and

ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/liabilities on deferred tax expense/income is presented separately in the tax expense line item.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Regulatory Deferral Account - Liability - Current			
Regulatory Liabilities	485.00	*656.00*	*680.38*
Regulatory Deferral Account - Asset - Non - current			
Regulatory Assets	1,795.19	*2,544.00*	*2,680.09*
Net Regulatory Assets/(Liabilities)	**1,310.19**	***1,888.00***	***1,999.71***

Rate Regulated Activities

(i) As per the Ind AS114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1st April, 2016 to 31st March, 2021. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
Opening Regulatory Assets (Net of Liabilities)	(A)	1,888.00	*1,999.71*
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		2,322.91	*2,206.98*
(ii) Other expenses as per the terms of Tariff Regulations including ROE		953.09	*872.55*
(iii) Collected during the year as per approved Tariff		(3,068.00)	*(3,092.53)*
(iv) Amount Collected (Net) in respect of earlier year		(444.00)	*(219.00)*
Regulatory Income/(Expenses) (Net) (i + ii + iii + iv)	(B)	(236.00)	*(232.00)*
Regulatory Assets/(Liabilities) on carrying cost recognised as revenue	(C)	(49.00)	*Nil*
Regulatory Income (Net) in respect of earlier years	(D)	Nil	*77.00*
Regulatory Assets/(Liabilities) on deferred tax expense/(income) [Refer Note 34 (iii)]	(E)	(292.81)	*43.29*
Closing Regulatory Assets (Net of Liabilities)	(A + B + C + D + E)	**1,310.19**	***1,888.00***

Notes to the Financial Statements

20 a. Equity - Share Capital

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	₹ crore	Number	₹ crore	Number	₹ crore
Authorised						
Equity Shares of ₹ 1/- each	350,00,00,000	350.00	300,00,00,000	300.00	300,00,00,000	300.00
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	2,29,00,000	229.00	2,29,00,000	229.00
		579.00		529.00		529.00
Issued						
Equity Shares [including 28,32,060 shares (*31st March, 2017 - 28,32,060 shares, 1st April, 2016 - 29,76,172 shares*) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	276,17,00,970	276.17	276,17,00,970	276.17	276,17,00,970	276.17
Subscribed and Paid-up						
Equity Shares fully Paid-up [excluding 28,32,060 shares (*31st March, 2017 - 28,32,060 shares, 1st April, 2016 - 29,76,172 shares*) not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]	270,47,73,510	270.48	270,47,73,510	270.48	270,46,29,398	270.46
Less: Calls in arrears [including ₹ 0.01 crore (*31st March, 2017 - ₹ 0.01 crore, 1st April, 2016 - ₹ 0.01 crore*) in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited]		0.04		0.04		0.04
		270.44		270.44		270.42
Add: Equity Shares forfeited - Amount paid	16,52,300	0.06	16,52,300	0.06	16,52,300	0.06
Total Issued, Subscribed and fully Paid-up Share Capital		**270.50**		**270.50**		**270.48**

Notes to the Financial Statements

20 a. Equity - Share Capital (*Contd.*)

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2018		*As at 31st March, 2017*		*As at 1st April, 2016*	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Equity Shares						
At the beginning of the year	270,64,25,810	270.50	*270,62,81,698*	*270.48*	*270,62,77,554*	*270.48*
Issued during the year	Nil	Nil	*1,44,112*	*0.02*	*4,144*	*
Outstanding at the end of the year	270,64,25,810	**270.50**	*270,64,25,810*	***270.50***	*270,62,81,698*	***270.48***

* Denotes figures below ₹ 50,000/-.

(ii) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2018		*As at 31st March, 2017*		*As at 1st April, 2016*	
	Number	% Holding	*Number*	*% Holding*	*Number*	*% Holding*
Equity Shares of ₹ 1/- each fully paid						
Tata Sons Limited	83,97,99,682	31.05	*83,97,99,682*	*31.05*	*83,97,99,682*	*31.05*
Life Insurance Corporation of India	31,79,60,364	11.76	*33,22,45,379*	*12.28*	*36,98,66,780*	*13.68*
Matthews Pacific Tiger Fund	17,79,49,592	6.58	*16,46,20,436*	*6.09*	*16,56,20,436*	*6.12*

20 b. Unsecured Perpetual Securities

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
11.40% Unsecured Perpetual Securities	1,500.00	*1,500.00*	*1,500.00*
Add: Issued during the year	Nil	*Nil*	*Nil*
Total	**1,500.00**	***1,500.00***	***1,500.00***

In an earlier year the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years (Year 2022). The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

Notes to the Financial Statements

21. Other Equity

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*
General Reserve (Refer Note 1 below)		
Opening Balance	3,853.98	*3,853.98*
Closing Balance	3,853.98	*3,853.98*
Securities Premium Reserve		
Opening Balance	5,634.98	*5,634.13*
Add: Share Premium collected during the year	Nil	*0.85*
Closing Balance	5,634.98	*5,634.98*
Debenture Redemption Reserve		
Opening Balance	1,000.90	*545.24*
Add/(Less): Amount transferred from/(to) Retained Earnings (net)	(0.29)	*455.66*
Closing Balance	1,000.61	*1,000.90*
Capital Redemption Reserve (Refer Note 1 below)		
Opening Balance	1.85	*1.85*
Closing Balance	1.85	*1.85*
Capital Reserve		
Opening Balance	61.66	*61.66*
Closing Balance	61.66	*61.66*
Statutory Reserve		
Opening Balance	660.08	*660.08*
Closing Balance	660.08	*660.08*
Retained Earnings		
Opening balance (Refer Note 1 and 2 below)	5,361.42	*5,921.32*
Add/(Less): Profit/(Loss) for the year	(3,150.52)	*397.54*
Transfer from Equity Instrument through Other Comprehensive Income (Refer Note 3 below)	174.74	*(0.04)*
Less: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	9.08	*7.73*
Payment of Dividend (Refer Note 4 below)	351.99	*351.99*
Tax on Dividend	33.81	*29.58*
Transfer to/(from) Debenture Redemption Reserve (Net)	(0.29)	*455.66*
Distribution on Unsecured Perpetual Securities (Net of Tax)	112.06	*112.44*
	(3,482.43)	*(559.90)*
Closing Balance	1,878.99	*5,361.42*
Equity Instrument through Other Comprehensive Income		
Opening Balance	(253.40)	*(139.69)*
Add/(Less): Transfer to Retained Earnings (Refer Note 3 below)	(174.74)	*0.04*
Other Comprehensive Income - Current Tax	(37.12)	*Nil*
Add/(Less): Change in Fair Value of Equity Instrument through Other Comprehensive Income	(400.44)	*(113.97)*
Gain on sale of Investment classified at FVTOCI	99.59	*0.10*
Deferred Tax	391.99	*0.12*
Closing Balance	(374.12)	*(253.40)*
Total	**12,718.03**	***16,321.47***

Notes to the Financial Statements

21. Other Equity (*Contd.*)

Notes:

1. The National Company Law Tribunal, Mumbai vide order dated 27th July, 2017, approved the Scheme of Amalgamation of a wholly owned subsidiary of the Company, Chemical Terminal Trombay Limited (CTTL) with the Company with effect from 1st April, 2017 (the appointed date).
   Accordingly, General Reserve of ₹ 23.68 crore, Retained Earnings of ₹ 31.63 crore and Capital Redemption Reserve of ₹ 0.25 crore of CTTL as at 1st April, 2016 have been transferred to the respective reserves. The difference between the Company's investment and CTTL's Share Capital amounting to ₹ 35.95 crore has been debited to General Reserve.
2. Includes gain on fair valuation of land which is not available for distribution ₹ 222.31 crore (*31st March, 2017 - ₹ 222.31 crore, 1st April, 2016 - ₹ 222.31 crore*).
3. The Company has sold certain investments carried at fair value through other comprehensive income. The resultant gain/(loss) ₹ 174.74 crore (*year ended 31st March, 2017 - ₹ (0.04) crore*) has been transferred from Equity Instrument through Other Comprehensive Income to Retained Earnings.
4. On 24th August, 2017, a dividend of ₹ 1.30 per share was paid to the holders of fully paid equity shares.
5. In respect of the year ended 31st March, 2018, the directors have proposed a dividend of ₹ 1.30 per share to be paid on fully paid shares. This equity dividend is subject to approval at the annual general meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 351.99 crore.

Nature and purpose of reserves:

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Securities Premium Reserve

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

Debenture Redemption Reserve

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

Capital Redemption Reserve

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

Capital Reserve

Capital Reserve consists of forfeiture of the amount received from Tata Sons Limited on preferential allotment of convertible warrants in the Company, on the lapse of the period to exercise right to convert the said warrants and on forfeiture of amounts paid on Debentures.

Statutory Reserve

Statutory Reserve consists of Special Appropriation towards Project Cost, Development Reserve and Investment Allowance Reserve.

Special appropriation to project cost - Due to high capital investment required for the expansion in the electricity industry, the Maharashtra State government permits part of the capital cost of approved projects to be collected through the electricity tariff and held as a special appropriation.

Development Reserve / Investment Allowance Reserve - Until 1978, the Companies made appropriations to a Development Reserve and an Investment Allowance Reserve as required by the Income Tax Act, 1956. New appropriations to these reserves are no longer required due to changes in Indian law. An amount equal to 0.5% on the accumulation in the Investment Allowance Reserve was included in the reasonable return calculation.

Retained Earnings

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

Equity Instrument through Other Comprehensive Income

This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets are disposed of.

Notes to the Financial Statements

22. Non-current Borrowings

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Non-current	Current*	Non-current	Current*	Non-current	Current*
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
(i) Unsecured - At Amortised Cost						
Redeemable Non-Convertible Debentures						
(a) 10.75% Series 2072	1,490.45	Nil	1,488.80	Nil	1,486.87	Nil
(b) 9.30% Series 2023	499.00	Nil	498.85	Nil	498.47	Nil
(c) 9.48% Series 2019	499.81	Nil	499.70	Nil	499.48	Nil
(d) 7.70% Series 2019	Nil	1,875.00	Nil	3,500.00	Nil	Nil
(e) 7.99% Series 2024	1,495.55	Nil	Nil	Nil	Nil	Nil
(f) 9.32% Series 2017	Nil	Nil	Nil	999.77	999.17	Nil
	3,984.81	1,875.00	2,487.35	4,499.77	3,483.99	Nil
Bonds						
(g) 8.50% Euro Notes 2017	Nil	Nil	Nil	386.22	394.54	Nil
Term Loans from Banks						
(h) ICICI Bank	Nil	605.00	605.00	Nil	Nil	2.90
(i) JP Morgan Chase Bank	Nil	Nil	Nil	Nil	Nil	200.00
(j) BNP Paribas	Nil	Nil	Nil	Nil	Nil	210.00
	Nil	605.00	605.00	Nil	Nil	412.90
Deferred Payment Liabilities						
(k) Sales Tax Deferral	17.00	11.33	28.33	15.17	43.01	13.98
(A)	4,001.81	2,491.33	3,120.68	4,901.16	3,921.54	426.88
(ii) Secured - At Amortised Cost						
Redeemable Non-Convertible Debentures						
(a) 9.15% Series 2025	121.84	16.00	137.82	16.00	153.73	16.00
(b) 9.15% Series 2025	149.86	25.00	174.80	25.00	199.73	25.00
(c) 9.40% Series 2022	209.58	Nil	209.54	Nil	209.44	Nil
(d) 10.10% Series 2018	Nil	500.00	500.00	Nil	500.00	Nil
(e) 10.40% Series 2018	Nil	500.00	500.00	Nil	500.00	Nil
	481.28	1,041.00	1,522.16	41.00	1,562.90	41.00
Term Loans from Banks						
(f) HDFC Bank	1,062.81	95.00	1,157.81	78.75	1,056.56	72.19
(g) ICICI Bank	Nil	Nil	123.00	Nil	60.00	Nil
(h) IDBI Bank	Nil	Nil	Nil	Nil	482.50	35.00
(i) Kotak Mahindra Bank	438.75	38.75	477.50	38.75	516.25	25.50
(j) State Bank of India	1,329.10	94.95	993.75	66.25	Nil	Nil
(k) IDFC Bank	782.28	341.56	1,127.90	90.10	1,038.00	90.10
	3,612.94	570.26	3,879.96	273.85	3,153.31	222.79
Term Loans from Others						
(l) Asian Development Bank	19.01	12.67	31.68	12.67	44.35	12.67
(m) Indian Renewable Energy Development Agency Limited	8.80	5.87	266.38	35.13	301.52	35.13
(n) Technology Development Board, Department of Science & Technology, Government of India	Nil	Nil	27.00	Nil	Nil	Nil
	27.81	18.54	325.06	47.80	345.87	47.80
(B)	4,122.03	1,629.80	5,727.18	362.65	5,062.08	311.59
Total (A) + (B)	**8,123.84**	**4,121.13**	**8,847.86**	**5,263.81**	**8,983.62**	**738.47**

* Amount disclosed under Other Current Financial Liabilities (Refer Note 23)

Notes to the Financial Statements

22. Non-current Borrowings (*Contd.*)

Security

(i) The Debentures mentioned in (a) have been secured by a charge on movable properties and assets of the Company at Agaswadi and Visapur in Satara District of Maharashtra and Poolavadi in Tirupur District of Tamil Nadu.

(ii) The Debentures mentioned in (b) have been secured by a pari passu charge on the assets of the wind farms situated at Samana in Gujarat, Gadag in Karnataka and immovable properties in Jamnagar, Gujarat.

(iii) The Debentures mentioned in (c) have been secured by a charge on the land situated at Village Takve Khurd (Maharashtra) and movable fixed assets (except the Wind assets) including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future.

(iv) The Debentures mentioned in (d) and (e) have been secured by a pari passu charge on land in Village Takve Khurd (Maharashtra) and all buildings and structures and all plant and machinery whether fixed or movable attached to the land at the thermal and hydro power stations.

(v) The Loans mentioned in (f), (i), (j) and (k) have been secured by pari passu charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including movable machinery, machinery spares, tools and accessories, present and future, but excluding vehicles, launches and barges.

(vi) The Loans from Asian Development Bank and Indian Renewable Energy Development Agency Limited mentioned in (l) and (m) respectively have been secured by a charge on the movable and immovable properties situated at Khandke, Brahmanvel and Sadawaghapur in Maharashtra including the projects' current and future receivables.

Terms of Repayment

₹ crore

Particulars	Amount Outstanding as at 31st March, 2018	Financial Year						
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-28	FY 28-29 and onwards
(i) Unsecured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 10.75% Series 2072 (Refer Note 1 below)	1,500.00	-	-	-	-	-	-	1,500.00
(b) 9.30% Series 2023	500.00	-	-	-	-	500.00	-	-
(c) 7.70% Series 2019 (Refer Note 2 below)	500.00	-	500.00	-	-	-	-	-
(d) 7.70% Series 2019	1,875.00	1,875.00		-	-	-	-	-
(e) 7.99% Series 2024	1,500.00	-	-	300.00	300.00	300.00	600.00	-
Term Loans from Banks								
(f) ICICI Bank	605.00	605.00	-	-	-	-	-	-
Deferred Payment Liabilities								
(g) Sales Tax Deferral (Refer Note 3 below)	28.33	11.33	8.50	5.67	2.83	-	-	-
(ii) Secured - At Amortised Cost								
Redeemable Non-Convertible Debentures								
(a) 9.15% Series 2025	138.00	16.00	16.00	16.00	16.00	16.00	58.00	-
(b) 9.15% Series 2025	175.00	25.00	25.00	25.00	20.00	20.00	60.00	-
(c) 9.40% Series 2022	210.00	-	-	-	-	210.00	-	-
(d) 10.10% Series 2018	500.00	500.00	-	-	-	-	-	-
(e) 10.40% Series 2018	500.00	500.00	-	-	-	-	-	-
Term Loans from Banks (Refer Note 4 below)								
(f) HDFC Bank	1,157.81	95.00	395.00	65.00	65.00	65.00	385.31	87.50
(g) Kotak Mahindra Bank	477.50	38.75	38.75	38.75	38.75	38.75	283.75	-
(h) State Bank of India	1,424.05	94.95	94.95	94.95	94.95	94.95	949.30	-
(i) IDFC Bank	1,123.84	341.56	158.75	76.25	76.25	76.25	329.06	65.72
Term Loans from Others (Refer Note 4 below)								
(j) Asian Development Bank	31.68	12.67	12.67	6.34	-	-	-	-
(k) Indian Renewable Energy Development Agency Limited	14.67	5.87	5.87	2.93	-	-	-	-
	12,260.88	**4,121.13**	**1,255.49**	**630.89**	**613.78**	**1,320.95**	**2,665.42**	**1,653.22**
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	15.91							
	12,244.97							

Notes:

1. The 10.75% Redeemable Non-Convertible Debentures are redeemable at par at the end of 60 years from the date of allotment viz. 21st August, 2072. The Company has the call option to redeem the same at the end of 10 years viz. 21st August, 2022 and at the end of every year thereafter.
2. The 7.7% Redeemable Non-Convertible Debentures are redeemable at par on 2nd August, 2019. There is a Put/Call option at the end of 24 months from the deemed date of allotment i.e. 3rd August, 2018.
3. Sales Tax Deferral is repayable in 150 instalments commencing from April, 2013 and repayable in full by March, 2022.
4. The rate of interest for term loans from banks ranges from 8.35% to 8.65% and rate of interest for term loans from others is 9.36%.

Notes to the Financial Statements

23. Other Financial Liabilities

		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Non-current				
	Security Deposits	32.15	*31.98*	*33.59*
	Regulatory Liabilities other than Distribution Business	66.00	*Nil*	*Nil*
	Guarantee Commission Obligation	12.59	*8.05*	*Nil*
Total		**110.74**	***40.03***	***33.59***
Current				
(a)	Current Maturities of Long-term Debt (Refer Note 22)	4,121.13	*5,263.81*	*738.47*
(b)	Interest accrued but not due on Borrowings	303.90	*396.87*	*226.71*
(c)	Interest accrued but not due on Borrowings to Related Party	0.38	*Nil*	*Nil*
(d)	Investor Education and Protection Fund shall be credited by the following amounts namely: **			
	Unpaid Dividend	17.70	*16.32*	*14.75*
	Unpaid Matured Deposits	0.03	*0.03*	*0.03*
	Unpaid Matured Debentures	0.09	*0.09*	*0.09*
(e)	Other Payables			
	Payables for capital supplies and services	203.43	*177.39*	*208.45*
	Derivative Contracts (Net)	0.82	*49.91*	*9.54*
	Security Deposits from Electricity Consumers	190.52	*174.57*	*170.29*
	Security Deposits from Others	13.44	*22.13*	*2.71*
	Tender Deposits from Vendors	1.13	*1.33*	*0.91*
	Regulatory Liabilities other than Distribution Business	338.22	*412.50*	*353.21*
	Financial Guarantee Obligation towards Lenders of Jointly Controlled Entity (Refer Note 8(b))	97.77	*Nil*	*Nil*
	Other Financial Liabilities	97.64	*117.66*	*142.00*
Total		**5,386.20**	***6,632.61***	***1,867.16***

** Includes amounts outstanding aggregating ₹ 0.88 crore *(31st March, 2017 - ₹ 0.87 crore, 1st April, 2016 - ₹ 0.84 crore)* for more than seven years pending legal cases.

Notes to the Financial Statements

24. Provisions

Accounting Policy

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

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

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current			
Provision for Employee Benefits			
Compensated Absences	74.31	89.51	77.29
Post-Employment Medical Benefits [Refer Note 24 (2.3)]	30.70	24.86	20.57
Other Defined Benefit Plans [Refer Note 24 (2.3)]	57.90	36.95	34.55
Other Employee Benefits	19.19	16.98	17.27
	182.10	168.30	149.68
Other Provisions			
Provision for Warranties	Nil	2.45	2.36
	Nil	2.45	2.36
Total	**182.10**	**170.75**	**152.04**
Current			
Provision for Employee Benefits			
Compensated Absences	4.58	5.77	5.98
Gratuity (Net) [Refer Note 24 (2.3)]	Nil	9.02	28.66
Post-Employment Medical Benefits [Refer Note 24 (2.3)]	1.23	0.83	0.73
Other Defined Benefit Plans [Refer Note 24 (2.3)]	6.64	5.41	5.41
Other Employee Benefits	2.99	1.86	2.18
	15.44	22.89	42.96
Other Provisions			
Provision for Warranties	Nil	30.06	29.80
Provision for Wealth Tax	Nil	Nil	1.08
	Nil	30.06	30.88
Total	**15.44**	**52.95**	**73.84**

24.1 Movement of Other Provisions ₹ crore

	Warranties	Wealth Tax	Total
Balance as at 1st April, 2016	32.16	1.08	33.24
Additional provisions recognised	31.20	Nil	31.20
Reductions arising from payments	(2.13)	Nil	(2.13)
Reductions arising from remeasurements or settlement without cost	(28.72)	(1.08)	(29.80)
Balance as at 31st March, 2017	**32.51**	**Nil**	**32.51**
Balance as at 31st March, 2017	32.51	Nil	32.51
Additional provisions recognised	28.83	Nil	28.83
Reductions arising from payments	(4.03)	Nil	(4.03)
Reductions arising from remeasurements or settlement without cost	(29.03)	Nil	(29.03)
Reclassified as Liabilities pertaining to Assets Held for Sale	(28.28)	Nil	(28.28)
Balance as at 31st March, 2018	**Nil**	**Nil**	**Nil**

Notes:

1. Provision for employee benefits includes provision for gratuity, post-employment, medical benefits, pension (including Director pension), ex-gratia death benefit and retirement gift.
2. The provision for warranty claims represents estimated warranty liability for the products sold by Strategic Engineering Division. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. As the Company is in the process of sale of the said business, the Provision for Warranty has been reclassified on 31st March, 2018 as Liabilities Held for Sale.

Notes to the Financial Statements

24. Provisions *(Contd.)*

Employee Benefit Plans

1. Defined Contribution plan

The Company makes Superannuation Fund contributions to defined contribution plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to the Superannuation Fund scheme as an expense, when an employee renders the related service.

The Company has recognised ₹ 9.53 crore *(31st March, 2017 - ₹ 10.23 crore)* for superannuation contributions in the Statement of Profit and Loss. The said amount is inclusive of expenses recognised by Chemical Terminal Trombay Limited (CTTL) amalgamated with the Company and exclude amounts recognised by the Strategic Engineering Division (SED), Discontinued operations. The contribution payable to the plan by the Company is at rates specified in the rules of the scheme.

2. Defined benefit plans

2.1 The Company operates the following unfunded/funded defined benefit plans:

Funded:

Provident Fund

The Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31st March, 2018.

The significant assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	**31st March, 2018**	***31st March, 2017***
Interest rate	8.55% p.a.	*8.60% p.a.*
Discount rate	7.70% p.a.	*6.90% p.a.*
Contribution during the year (₹ crore)	19.04	*20.42*

Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is funded plan. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	***31st March, 2018***	***31st March, 2017***	***1st April, 2016***
Discount Rate	7.70% p.a.	*6.90% p.a.*	*7.70% p.a.*
Salary Growth Rate			
- Management	7% p.a.	*8% p.a.*	*8% p.a.*
- Non-Management	5% p.a.	*7% p.a.*	*7% p.a.*
Turnover Rate - Age 21 to 44 years			
- Management	2.5% p.a.	*8% p.a.*	*8% p.a.*
- Non-Management	0.50% p.a.	*0.50% p.a.*	*0.50% p.a.*
Turnover Rate - Age 45 years and above			
- Management	1% p.a.	*2.50% p.a.*	*2.50% p.a.*
- Non-Management	0.50% p.a.	*0.50% p.a.*	*0.50% p.a.*
Pension Increase Rate	3% p.a.	*3% p.a.*	*3% p.a.*
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	*Indian Assured Lives Mortality (2006-08) (modified) Ult*	*Indian Assured Lives Mortality (2006-08) (modified) Ult*
Annual Increase in Healthcare Cost	8% p.a.	*8% p.a.*	*8% p.a.*

Notes to the Financial Statements

24. Provisions *(Contd.)*

2.3 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

Funded Plan:

	Present value of obligation ₹ crore	Fair value of plan assets ₹ crore	Net amount ₹ crore
Balance as at 1st April, 2016	***224.93***	***(196.27)***	***28.66***
Current service cost	*14.04*	*Nil*	*14.04*
Past service cost	*12.42*	*Nil*	*12.42*
Interest Cost/(Income)	*16.01*	*(16.03)*	*(0.02)*
Less: Amount recognised in statement of profit and loss - Discontinued operations	*(2.40)*	*Nil*	*(2.40)*
Amount recognised in statement of profit and loss - Continuing operations	***40.07***	***(16.03)***	***24.04***
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	*Nil*	*(12.64)*	*(12.64)*
Actuarial (gains)/losses arising from changes in demographic assumptions	*Nil*	*Nil*	*Nil*
Actuarial (gains)/losses arising from changes in financial assumptions	*13.40*	*Nil*	*13.40*
Actuarial (gains)/losses arising from experience	*5.78*	*Nil*	*5.78*
Amount recognised in other comprehensive income	***19.18***	***(12.64)***	***6.54***
Employer contribution	*Nil*	*(23.75)*	*(23.75)*
Benefits paid	*(25.87)*	*0.36*	*(25.51)*
Acquisitions credit/(cost)	*(3.31)*	*(0.05)*	*(3.36)*
Add: Amounts recognised in current year - Discontinued operations	*2.40*	*Nil*	*2.40*
Balance as at 31st March, 2017	***257.40***	***(248.38)***	***9.02***
Balance as at 31st March, 2017	**257.40**	**(248.38)**	**9.02**
Current service cost	17.60	Nil	17.60
Past service cost	Nil	Nil	Nil
Interest Cost/(Income)	17.00	(17.07)	(0.07)
Less: Amount recognised in statement of profit and loss - Discontinued operations	(1.97)	Nil	(1.97)
Amount recognised in statement of profit and loss - Continuing operations	**32.63**	**(17.07)**	**15.56**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	1.08	1.08
Actuarial (gains)/losses arising from changes in demographic assumptions	9.21	Nil	9.21
Actuarial (gains)/losses arising from changes in financial assumptions	(40.33)	Nil	(40.33)
Actuarial (gains)/losses arising from experience	15.33	Nil	15.33
Amount recognised in other comprehensive income	**(15.79)**	**1.08**	**(14.71)**
Employer contribution	Nil	Nil	Nil
Benefits paid	(19.43)	Nil	(19.43)
Acquisitions credit/(cost)	(4.68)	0.16	(4.52)
Add: Amounts recognised in current year - Discontinued operations	1.97	Nil	1.97
Less: Transferred to Assets/Liabilities held for sale - Discontinued operations	(14.30)	Nil	(14.30)
Balance as at 31st March, 2018	**237.80**	**(264.21)**	**(26.41)**

Notes to the Financial Statements

24. Provisions *(Contd.)*

Unfunded:

Post Employment Medical Benefits

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

Pension (including Director pension)

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Company from time to time.

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Unfunded Plan:	**Amount ₹ crore**
Balance as at 1st April, 2016	***61.26***
Current service cost	*2.48*
Past service cost	*0.58*
Interest Cost/(Income)	*4.49*
Less: Amount recognised in statement of profit and loss - Discontinued operations	*(0.60)*
Amount recognised in statement of profit and loss - Continuing operations	***6.95***
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in financial assumptions	*4.68*
Actuarial (gains)/losses arising from experience	*0.25*
Amount recognised in other comprehensive income	***4.93***
Benefits paid	*(5.55)*
Acquisitions credit/(cost)	*(0.14)*
Add: Amounts recognised in current year - Discontinued operations	*0.60*
Balance as at 31st March, 2017	***68.05***
Balance as at 31st March, 2017	**68.05**
Current service cost	2.77
Past service cost	0.27
Past service cost - Plan amendments	4.03
Interest Cost/(Income)	4.50
Less: Amount recognised in statement of profit and loss - Discontinued operations	(0.64)
Amount recognised in statement of profit and loss - Continuing operations	**10.93**
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in demographic assumptions	8.46
Actuarial (gains)/losses arising from changes in financial assumptions	(1.01)
Actuarial (gains)/losses arising from experience	18.79
Amount recognised in other comprehensive income	**26.24**
Benefits paid	(5.20)
Acquisitions credit/(cost)	(1.46)
Add: Amounts recognised in current year - Discontinued operations	0.64
Less: Transferred to Assets/Liabilities held for sale - Discontinued operations	(2.73)
Balance as at 31st March, 2018	**96.47**

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Notes to the Financial Statements

24. Provisions *(Contd.)*

2.4 Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption			Decrease in assumption		
	31st March, 2018	*31st March, 2017*		31st March, 2018	*31st March, 2017*		31st March, 2018	*31st March, 2017*
				₹ crore	*₹ crore*		₹ crore	*₹ crore*
Discount rate	0.50%	*0.50%*	Decrease by	13.21	*11.60*	Increase by	14.45	*12.47*
Salary/Pension growth rate	0.50%	*0.50%*	Increase by	11.68	*11.57*	Decrease by	10.99	*10.87*
Claim rates	5%	*5%*	Decrease by	12.19	*18.13*	Increase by	-	*16.31*
Mortality rates	1 year	*1 year*	Decrease by	3.30	*3.64*	Increase by	3.18	*4.68*
Healthcare cost	0.50%	*0.50%*	Increase by	2.45	*1.97*	Decrease by	2.05	*1.77*

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

2.5 The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Funded		Unfunded	
	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Within 1 year	18.64	*16.99*	8.57	*6.29*
Between 1 - 2 years	29.48	*27.03*	8.94	*6.82*
Between 2 - 3 years	30.63	*32.86*	9.13	*6.72*
Between 3 - 4 years	32.86	*33.74*	9.15	*6.80*
Between 4 - 5 years	30.66	*36.64*	9.18	*6.72*
Beyond 5 years	164.82	*175.12*	47.16	*34.64*

The weighted average duration of the defined benefit obligation is 8.1 years (*31st March, 2017 - 7 years*).

The contribution expected to be made by the Company during the financial year 2018-19 is ₹ Nil.

2.6 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

2.7 Major categories of plan assets:

Plan assets are funded with the trust set up by the Company. The trust invests the funds in various financial instruments. Major categories of plan assets are as follows:

	As at 31st March, 2018		*As at 31st March, 2017*		*As at 1st April, 2016*	
	₹ *crore*	%	*₹ crore*	*%*	*₹ crore*	*%*
Equity Instruments	56.45	21%	*52.03*	*21%*	*38.44*	*19%*
Debt Instruments	121.47	46%	*89.36*	*36%*	*60.54*	*31%*
Government Securities	54.63	21%	*63.15*	*25%*	*56.31*	*29%*
Cash & Cash Equivalents	31.66	12%	*43.84*	*18%*	*40.98*	*21%*
	264.21	**100%**	***248.38***	***100%***	***196.27***	***100%***

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Notes to the Financial Statements

25. Deferred Tax Liabilities (Net)

(Refer Note 34)

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Deferred Tax Assets	1,310.41	84.34	96.35
Deferred Tax Liabilities	1,546.40	1,553.22	1,637.61
Net Deferred Tax Liabilities	**235.99**	**1,468.88**	**1,541.26**

26. Other Liabilities

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Non-current			
Consumers' Benefit Account	21.94	21.94	21.94
Deferred Revenue - Service Line Contributions from Consumers	112.84	110.66	107.24
Deferred Rent Liability	45.71	46.69	47.67
Total	**180.49**	**179.29**	**176.85**
Current			
Statutory Liabilities	95.61	127.63	121.32
Advance from Customers/Public Utilities	212.92	158.35	121.09
Statutory Consumer Reserves	545.76	531.76	517.76
Other Liabilities	1.08	2.02	0.51
Total	**855.37**	**819.76**	**760.68**

27. Current Borrowings

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Unsecured - At Amortised Cost			
From Banks			
(a) Buyer's Line of Credit	338.84	409.00	370.06
(b) Term Loans	800.00	Nil	Nil
(c) Bank Overdraft	95.48	0.32	148.93
From Related Parties	125.00	Nil	Nil
From Others			
Commercial Paper [maximum amount outstanding during the year is ₹ 3,650 crore (*31st March, 2017 - ₹ 3,000 crore*)]	2,967.13	1,982.66	988.10
	4,326.45	2,391.98	1,507.09
Secured - At Amortised Cost			
From Banks			
(a) Short-term Loans	0.01	Nil	Nil
	0.01	Nil	Nil
Total	**4,326.46**	**2,391.98**	**1,507.09**

Security

Loan from banks is secured against first *pari passu* charge over all current assets of the Company, present and future, with other working capital lenders, except for specific wind assets (for which charge has been ceded).

28. Current Tax Liabilities

	As at 31st March, 2018 ₹ crore	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Income-tax Payable	107.67	98.62	106.13
Total	**107.67**	**98.62**	**106.13**

Notes to the Financial Statements

29. Revenue from Operations

Revenue recognition

<u>Accounting Policy</u>

A. Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Further, specific criteria for revenue recognition followed for different businesses are as under-

(i) Power Business:

a. Revenue from Distribution Business: Revenue from sale of power is accounted for on the basis of billing to consumers based on billing cycles followed by the Company which is inclusive of fuel adjustment charges (FAC) and includes unbilled revenue for the year. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters.

b. Revenue from Transmission Business: In case of transmission businesses, revenue is accounted on the basis of periodic billing to consumers/state transmission utility. The surcharge on late/non-payment of dues by customers for sale of energy is recognized as revenue on certainty of receipt. The Transmission system Incentive/disincentive is accounted for based on the certification of availability by the respective regional power committee and in accordance with the norms notified/approved by the MERC.

c. The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Company presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances; and

ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account for the reporting period.

B. Delayed payment charges

Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence when recovered.

C. Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. The revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

D. Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements

29. Revenue from Operations (*Contd.)*

E. Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The outcome of a construction contract is considered as estimated reliably when

(a) total contract revenue can be measured reliably

(b) it is probable that the economic benefits associated with the contract will flow to the entity

(c) both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably

(d) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received from customer. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

		For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a)	**Revenue from Power Supply and Transmission Charges**	6,196.75	*5,813.30*
	(Less)/Add: Income to be adjusted in future tariff determination (Net)	(56.00)	*(58.00)*
	(Less)/Add: Income to be adjusted in future tariff determination (Net) in respect of earlier years	Nil	*(100.69)*
		6,140.75	*5,654.61*
(b)	**Project/Operation Management Services**		
	Assets Under Lease	1,034.51	*891.55*
	Others	128.96	*148.84*
		1,163.47	*1,040.39*
(c)	**Income from Finance Lease**	92.32	*89.68*
(d)	**Other Operating Revenue**		
	Rental of Land, Buildings, Plant and Equipment, etc.	12.13	*14.51*
	Income in respect of Services Rendered	59.89	*57.94*
	Amortisation of Service Line Contributions	8.99	*11.04*
	Income from storage and terminalling	14.99	*14.62*
	Sale of Fly Ash	4.88	*4.99*
	Sale of Carbon Credits	9.32	*9.47*
	Miscellaneous Revenue	29.85	*26.91*
		140.05	*139.48*
Total		**7,536.59**	***6,924.16***

Notes to the Financial Statements

30. Other Income

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a) Interest Income		
(i) On Financial Assets carried at Amortised Cost		
Interest on Bank Deposits	62.66	*0.42*
Interest from Inter-corporate Deposits	Nil	*1.15*
Interest on Overdue Trade Receivables	3.73	*15.35*
Interest on Non-current Investment - Contingency Reserve Fund	11.72	*7.35*
Interest on Non-current Investment - Deferred Tax Liability Fund	17.23	*21.21*
Interest on Financial Instruments - Subsidiaries	36.39	*223.19*
Interest on Financial Instruments - Joint Ventures	0.48	*0.44*
Other Interest	0.35	*0.68*
	132.56	*269.79*
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	619.78	*519.23*
Joint Ventures	102.18	*114.50*
Associates	15.31	*12.43*
Others - Equity Investments Designated at FVTOCI	9.81	*3.87*
	747.08	*650.03*
From Current Investments		
Others	0.82	*1.20*
	747.90	*651.23*
(c) Gain/(Loss) on Investments		
Gain on Sale/Fair Value of Current Investment measured at FVTPL	2.36	*42.23*
(d) Other Non-operating Income		
Guarantee Commission from Subsidiaries and Joint Ventures	23.55	*24.88*
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	8.40	*(0.20)*
Delayed Payment Charges	6.01	*6.78*
Other Income	8.56	*0.01*
	46.52	*31.47*
Total	**929.34**	***994.72***

31. Employee Benefits Expense

Accounting Policy

Defined contribution plans

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

Defined benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the Financial Statements

31. Employee Benefits Expense (*Contd.*)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

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

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Salaries and Wages	489.26	*496.65*
Contribution to Provident Fund [Refer Note 24(1)]	19.04	*20.42*
Contribution to Superannuation Fund [Refer Note 24(1)]	9.53	*10.23*
Gratuity [Refer Note 24(2.3)]	15.56	*24.04*
Compensated Absences	6.23	*24.04*
Pension	5.71	*5.73*
Staff Welfare Expenses	103.53	*105.36*
	648.86	*686.47*
Less:		
Employee Cost Capitalised	41.33	*41.95*
Employee Cost Inventorised	10.84	*13.50*
	52.17	*55.45*
Total	***596.69***	***631.02***

32. Finance Costs

Accounting Policy

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
(a) Interest Expense:		
Borrowings		
Interest on Debentures	751.64	*684.63*
Interest on Euro Notes	13.01	*33.78*
Interest on Loans - Banks and Financial Institutions	573.83	*539.37*
Interest on Loans - Related Parties	1.39	*Nil*
Others		
Interest on Consumer Security Deposits	18.13	*18.70*
Other Interest and Commitment Charges	53.13	*15.44*
	1,411.13	*1,291.92*
Less: Interest Capitalised	23.92	*23.81*
	1,387.21	*1,268.11*
(b) Other Borrowing Cost:		
Other Finance Costs	16.50	*21.96*
Foreign Exchange Loss/(Gain) on Borrowings (Net)	27.67	*28.69*
	44.17	*50.65*
Total	**1,431.38**	***1,318.76***

Note:

The weighted average capitalisation rate on the Company's general borrowings is 8.45% per annum (*31st March, 2017 - 9.50% per annum*).

Notes to the Financial Statements

33. Other Expenses

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Consumption of Stores, Oil, etc.	71.04	*96.94*
Rental of Land, Buildings, Plant and Equipment, etc.	7.05	*38.20*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	95.86	*70.30*
(ii) To Machinery and Hydraulic Works	195.37	*211.39*
(iii) To Furniture, Vehicles, etc.	5.89	*10.09*
	297.12	*291.78*
Rates and Taxes	66.61	*45.96*
Insurance	24.83	*30.88*
Other Operation Expenses	100.58	*83.60*
Ash Disposal Expenses	16.92	*16.48*
Travelling and Conveyance Expenses	21.03	*26.46*
Consultants' Fees	44.15	*25.96*
Auditors' Remuneration	5.92	*6.96*
Cost of Services Procured	116.47	*130.73*
Net Loss/(Gain) on Foreign Exchange	19.92	*23.09*
Allowance for Doubtful Debts and Advances (Net)	(4.05)	*18.42*
Impairment of Non-current assets	6.00	*65.00*
Impairment of Non-current Investments in Subsidiaries and Joint Ventures (net)	(2.90)	*18.08*
Legal Charges	18.05	*15.64*
Corporate Social Responsibility Expenses	14.71	*22.90*
Transfer to Contingency Reserve	14.00	*14.00*
Miscellaneous Expenses	40.07	*40.69*
Total	**877.52**	***1,011.77***

(i) Payment to the auditors

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
For Statutory Audit	3.30	*3.95*
For Taxation Matters	0.10	*0.39*
For Other Services	1.47	*1.65*
For Reimbursement of Expenses	0.19	*0.07*
For Service Tax/Goods and Service Tax	0.86	*0.90*
Total	**5.92**	***6.96***

* Includes ₹ 2.42 crore paid to erstwhile auditors.

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Contribution to Tata Power Community Development Trust	14.00	*21.16*
Expenses incurred by the Company	0.71	*1.74*
Total	**14.71**	***22.90***
Amount required to be spent as per section 135 of the Act	13.71	*21.84*
Amount spent during the year on:		
(a) Construction/Acquisition of asset	Nil	*Nil*
(b) On purposes other than (a) above	14.71	*22.90*

Notes to the Financial Statements

34. Income taxes

(i) Current Tax

Accounting Policy

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

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

1. Income taxes recognised in the statement of profit and loss (Continuing Operations)

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current tax	224.26	*264.19*
Deferred tax	(844.37)	*(78.46)*
Total income tax expense recognised in the current year	**(620.11)**	***185.73***

2. Income taxes recognised in the statement of profit and loss (Discontinued Operations)

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current tax	(17.36)	*3.71*
Deferred tax	3.23	*9.69*
Total income tax expense recognised in the current year	**(14.13)**	***13.40***

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

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Profit/(Loss) before tax Continuing Operation	(3,244.60)	*515.23*
Profit/(Loss) before tax Discontinued Operation	(85.87)	*16.44*
Profit/(Loss) Before Tax considered for tax working	**(3,330.47)**	***531.67***
Income tax expense calculated at 34.608%	(1,152.61)	*184.00*
***Add/(Less):* Tax effect on account of :**		
Unused tax credit (MAT) pertaining to earlier years recognised in the current year [Refer Note (ii)(b)]	(449.00)	*Nil*
Indexation benefit on investments held for sale [Refer Note (ii)(a)]	(338.02)	*Nil*
Deduction during tax holiday period	(170.62)	*(77.97)*
Exempt income	(119.55)	*(231.53)*
Lower Tax rate on Dividend Income from Foreign Subsidiaries (Net of Tax Credits)	(57.87)	*(74.76)*
Impairment of non current investment	1,430.20	*Nil*
Unrecognized unused tax credit (MAT) for the current year	90.61	*210.07*
Reversal of deferred tax during tax holiday period (Refer Note 4 below)	61.12	*(180.65)*
Damages towards Contractual Obligation	37.06	*Nil*
Non-Deductible expenses	54.70	*371.85*
Changes in income tax rate from 34.608% to 34.944%	12.68	*Nil*
Tax on other Items (including true up impact basis income tax returns)	(32.94)	*(1.88)*
Income tax expenses recognised in statement of profit and loss	(634.24)	*199.13*
Tax expense for the Continuing Operations	(620.11)	*185.73*
Tax expense for the Discontinued Operations	(14.13)	*13.40*
Income tax expense recognised in statement of profit and loss	**(634.24)**	***199.13***

Notes:

1 The tax rate used for the years 2017-18 and 2016-17 reconciliations above is the coporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

2 The Company has to pay taxes based on the higher of Income-tax profit of the Company or MAT at 21.3416% of book profit for the year 2017-18 and 2016-17.

3 The rate used for calculation of Deferred tax is 34.944% for 2017-18 and for 2016-17 was 34.608% being statutory enacted rates at respective Balance Sheet dates.

Notes to the Financial Statements

34. Income taxes *(Contd.)*

3. Income tax recognised directly in equity

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Effect of Distribution on Unsecured Perpetual Securities		
Current tax	(59.18)	*(59.26)*
Deferred tax	0.24	*0.46*
Income tax recognised directly in equity	**(58.94)**	***(58.80)***

4. Income tax recognised in other comprehensive income

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*
Current Tax		
Net gain on sale of investment in equity shares at FVTOCI	37.12	*Nil*
Remeasurement of defined benefit obligation	(2.45)	*Nil*
	34.67	*Nil*
Deferred tax		
Net fair value gain on investments in equity shares at FVTOCI	(21.99)	*(0.12)*
Indexation benefit on investment held for sale [Refer Note (a)]	(370.00)	*Nil*
Remeasurements of defined benefit obligation	Nil	*(3.95)*
	(391.99)	*(4.07)*
Total income tax recognised in other comprehensive income	**(357.32)**	***(4.07)***
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	Nil	*Nil*
Items that will not be reclassified to statement of profit and loss	(357.32)	*(4.07)*
	(357.32)	***(4.07)***

(ii) Deferred Tax

Accounting Policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Notes to the Financial Statements

34. Income taxes *(Contd.)*

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

	As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 ₹ crore*	*As at 1st April, 2016 ₹ crore*
Deferred Tax Assets	1,310.41	*84.34*	*96.35*
Deferred Tax Liabilities	1,546.40	*1,553.22*	*1,637.61*
Deferred Tax Liabilities (Net)	**235.99**	***1,468.88***	***1,541.26***

₹ crore

2017-18	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Recognised directly in equity	Closing balance
Deferred tax assets in relation to					
Allowance for Doubtful Debts, Deposits and Advances	27.01	(3.05)	Nil	Nil	**23.96**
Provision for Employee Benefits, Entry Tax and Others	57.33	3.59	Nil	Nil	**60.92**
Minimum Alternate Tax Credit	Nil	517.51	Nil	Nil	**517.51**
On assets held for sale [Refer Note (a) below]	Nil	338.02	370.00	Nil	**708.02**
	84.34	**856.07**	**370.00**	**Nil**	**1,310.41**
Deferred tax liabilities in relation to					
Finance Leases	144.48	(0.05)	Nil	Nil	**144.43**
Property, Plant and Equipment	1,357.31	14.98	Nil	Nil	**1,372.29**
Financial Assets at Fair Value through Other Comprehensive Income	22.02	Nil	(21.99)	Nil	**0.03**
Others	29.41	Nil	Nil	0.24	**29.65**
	1,553.22	**14.93**	**(21.99)**	**0.24**	**1,546.40**
Deferred Tax Liabilities (Net)	**1,468.88**	**(841.14)**	**(391.99)**	**0.24**	**235.99**

₹ crore

2016-17	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Recognised directly in equity	Closing balance
Deferred tax assets in relation to					
Allowance for Doubtful Debts, Deposits and Advances	*19.96*	*7.05*	*Nil*	*Nil*	***27.01***
Provision for Employee Benefits, Entry Tax and Others	*76.39*	*(23.01)*	*3.95*	*Nil*	***57.33***
	96.35	**(15.96)**	**3.95**	**Nil**	**84.34**
Deferred tax liabilities in relation to					
Finance Leases	*142.21*	*2.27*	*Nil*	*Nil*	***144.48***
Property, Plant and Equipment (Refer Note 4 above)	*1,443.14*	*(85.83)*	*Nil*	*Nil*	***1,357.31***
Financial Assets at Fair Value through Other Comprehensive Income	*22.14*	*Nil*	*(0.12)*	*Nil*	***22.02***
Others	*30.12*	*(1.17)*	*Nil*	*0.46*	***29.41***
	1,637.61	***(84.73)***	***(0.12)***	***0.46***	***1,553.22***
Deferred Tax Liabilities (Net)	***1,541.26***	***(68.77)***	***(4.07)***	***0.46***	***1,468.88***

Notes to the Financial Statements

34. Income taxes *(Contd.)*

Notes:

(a) During the year ended 31st March, 2018, the Company has approved/decided to dispose off certain investment/assets. Accordingly, after assessing the recoverability, the Company has recognized deferred tax asset on indexation benefit available and provision for diminution recognized during the year and in the earlier years on investments classified as held for sale amounting to ₹ 338.02 crore in the statement of profit and loss and ₹ 370.00 crore in Other Comprehensive Income.

(b) During the current year, the management has reassessed the recoverability of unrecognised MAT credit and accordingly recognised MAT credit amounting to ₹ 517.51 crore as at 31st March, 2018 and also recognized regulatory liability on the said MAT credit which needs to be passed on to the consumers.

(c) Considering the uncertainty over the realisibility, the Company has not recognized deferred tax asset to the extent of ₹ 289.53 crore on provision for diminution in value of investments classified as held for sale. Further, the Company has not recognized deferred tax assets on unused tax credit of ₹ 125.92 crore as it is not expecting to utilise the same in near future based on the projections made by the Company.

(iii) Deferred Tax (Recoverable)/Payable

It represents deferred tax liabilities/(assets) required to be passed on to the consumers and it relates to :

	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
Non-Rate Regulated Activity (Transmission)	161.48	*(21.71)*
Rate Regulated Activity (Distribution) (Refer Note 19)	292.81	*(43.29)*
Net	**454.29**	***(65.00)***

35. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
(a) Principal amount remaining unpaid as on 31st March	3.72	*19.20*	*24.60*
(b) Interest due thereon as on 31st March @	Nil	*Nil*	*Nil*
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day @	Nil	*Nil*	*Nil*
(d) The amount of Interest due and payable for the year @	Nil	*Nil*	*Nil*
(e) The amount of Interest accrued and remaining unpaid as at 31st March @	Nil	*Nil*	*Nil*
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid @	Nil	*Nil*	*Nil*

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

@ Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

36. Commitments:

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for (including consumer funded assets)	248.61	*181.06*	*372.24*
(b) Other Commitments			
(i) Commitment towards purchase of Equity Shares of Trust Energy Resources Pte. Limited from Khopoli Investment Limited, subject to approval of Reserve Bank of India	Nil	*Nil*	*29.13*
(ii) The Company has given an undertaking to the Bankers of Cennergi Pty. Limited, wherein it would ensure that Cennergi Pty. Limited would satisfy its commitment to the Bank	0.06	*77.47*	*71.54*

(iii) In terms of the Sponsor Support agreement entered into between the Company, Coastal Gujarat Power Limited (CGPL) and lenders of CGPL, the Company has undertaken to provide support by way of base equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The Sponsor Support Agreement also includes support by way of additional financial support for any overrun in project costs, operational loss and Debt Service Reserve Guarantee as provided under the financing agreements. In terms of the conditions of the financing agreements, the Company has provided total Additional Subordinated Loans and Equity of ₹ 12,153.15 crore (*31st March, 2017 - ₹ 11,136.15 crore, 1st April, 2016 - ₹ 6,443.85 crore*) to CGPL. Balance of both the loans would be repaid in accordance with the conditions of the Subordination and Hypothecation Agreements either out of additional equity to be infused by the Company or out of the balance Indian rupee term loans receivable by CGPL in future period, after the fulfilment of conditions in the Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

Notes to the Financial Statements

36. Commitments *(Contd.)*

(iv) The Company has undertaken to arrange for the necessary financial support to its subsidiaries Bhira Investments Limited, Khopoli Investments Limited, Bhivpuri Investments Limited, Industrial Power Utility Limited, Tata Power Jamshedpur Distribution Limited and Tata Power International Pte. Limited.

(v) In respect of Maithon Power Limited (MPL), the Company jointly with Damodar Valley Corporation (DVC) has undertaken to the lenders of MPL, to provide support by way of base equity contribution and additional equity or subordinated loans to meet the increase in Project Cost. Further, the Company has given an undertaking to MPL to fulfil payment obligations of Tata Power Trading Company Limited (TPTCL) and Tata Power Delhi Distribution Limited (TPDDL) in case of their default.

(vi) In terms of pre-implementation agreement entered into with Government of Himachal Pradesh and the consortium consisting of the Company and SN Power Holding Singapore Pte. Ltd. (Company being the Lead Member of the consortium) for the investigation and implementation of Dugar Hydro Electric Project, the Company has undertaken as Lead Member to undertake/perform various obligations pertaining to Dugar Project.

(vii) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Limited (PFL), an associate of the Company, with the Government of India, PFL has contractually undertaken a "Surplus Land" obligation including agreeing to transfer 45% of the share capital of the Resulting Company, at Nil consideration, to the Government of India and other selling shareholders upon Demerger of the Surplus Land by Tata Communication Limited (TCL). The Company has till date acquired 1,34,22,037 shares of TCL. The Company would be entitled to be allotted 4.70% of the share capital of the Resulting Company based on its holding of 1,33,96,200 shares of TCL. The Company has undertaken to PFL to bear the "Surplus Land" obligation pertaining to these shares.

37. Contingent liabilities

	31st March, 2018 ₹ crore	***31st March, 2017 ₹ crore***	***1st April, 2016 ₹ crore***
Contingent liabilities			
a) **Claims against the Company not acknowledged as debts consists of**			
(i) Demand including interest and penalty disputed by the Company relating to Entry tax claims for the financial years 2005-06 to 2013-14. [Refer Note (f) below]	2,035.18	*1,967.43*	*1,813.69*
(ii) Disallowance of carrying cost and other costs by Appellate Tribunal for Electricity (ATE) has been disputed by the Company. Based on legal opinions (the Company has a strong case), the Company has filed Special Leave Petition (SLP) with the Supreme Court.	269.00	*269.00*	*Nil*
(iii) Custom duty claims (including interest and penalty) disputed by the Company relating to applicability and classification of coal [Payment made under protest against these claims of ₹ Nil *(31st March, 2017 - ₹ 135.52 crore, 1st April, 2016 - ₹ 135.52 crore)*].	34.49	*170.01*	*170.01*
(iv) Demand disputed by the Company relating to Service tax on transmission charges collected for July 2012 to June 2017.	375.29	*Nil*	*Nil*
(v) (a) Way Leave fees (including interest) claims disputed by the Company relating to rates charged.	35.29	*84.18*	*72.58*
(b) Demand towards periodic revision in lease rent disputed by the Company.	150.00	*150.00*	*Nil*
(vi) Rates, Cess, Excise and Custom Duty claims disputed by the Company.	24.97	*38.01*	*36.85*
(vii) Octroi claims disputed by the Company, in respect of octroi exemption claimed by the Company.	5.03	*5.03*	*5.03*
(viii) Compensation disputed by private land owners on private land acquired under the provisions of Maharashtra Industrial Development Act, 1961.	22.00	*22.00*	*22.00*
(ix) Other claims against the Company not acknowledged as debts.	44.13	*45.46*	*26.93*
	2,995.38	***2,751.12***	***2,147.09***

Notes:

1. Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.
2. Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.
3. The above Contingent Liabilities include those pertaining to Regulated Business which on unfavourable outcome can be recovered from consumers.

Notes to the Financial Statements

37. Contingent liabilities *(Contd.)*

	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
b) **Other Contingent Liabilities:** Taxation matters for which liability is disputed by the Company and not provided for (computed on the basis of assessments which have been re-opened / remaining to be completed) including interest demanded ₹ Nil *(31st March, 2017 - ₹ 1.17 crore, 1st April, 2016 - ₹ 1.17 crore)*].	625.66	*259.69*	*232.99*

c) **Indirect exposures of the Company:**

Guarantees given :	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
Coastal Gujarat Power Limited	3,110.14	*2,781.69*	*3,039.24*
Khopoli Investments Limited	2,771.67 (equivalent to USD 425.25 million)	*2,877.72 (equivalent to USD 443.75 million)*	*3,217.97 (equivalent to USD 485.75 million)*
Bhira Investments Limited	2,173.02 (equivalent to USD 333.40 million)	*2,911.12 (equivalent to USD 448.90 million)*	*17.56 (equivalent to USD 2.65 million)*
Trust Energy Resources Pte. Ltd.	735.34 (equivalent to USD 112.82 million)	*777.55 (equivalent to USD 119.90 million)*	*763.47 (equivalent to USD 115.24 million)*
Tubed Coal Mines Limited	Nil	*11.36*	*11.36*
Mandakini Coal Company Limited	Nil	*20.26*	*20.26*
Energy Eastern Pte. Ltd.	384.55 (equivalent to USD 59 million)	*382.62 (equivalent to USD 59 million)*	*364.36 (equivalent to USD 55 million)*
Tata Power Renewable Energy Limited	2,735.00	*2,225.00*	*614.57*
Maithon Power Limited	Nil	*Nil*	*126.58*
Tata Power International Pte. Ltd.	189.01 (equivalent to USD 29 million)	*278.86 (equivalent to USD 43 million)*	*517.33 (equivalent to USD 78.09 million)*
Cennergi Pty. Ltd.	Nil	*Nil*	*46.72 (equivalent to ZAR 104.72 million)*
Tata Power Solar Systems Limited	Nil	*300.00*	*150.00*
Tata Power Trading Company Limited	Nil	*Nil*	*70.00*
Chirasthaayee Saurya Limited	260.00	*Nil*	*Nil*
Walwhan Renewable Energy Limited	2,172.24	*1,320.00*	*Nil*
TP Ajmer Distribution Limited	44.00	*Nil*	*Nil*

Notes to the Financial Statements

37. Contingent liabilities *(Contd.)*

d) (i) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2018 the accumulated interest was ₹ 240.76 crore *(31st March, 2017 - ₹ 229.56 crore, 1st April, 2016 - ₹ 218.36 crore)* (₹ 11.20 crore for the year ended 31st March, 2018). On appeal, the Hon'ble Supreme Court vide its Interim Order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Company has furnished a bank guarantee of the sum of ₹ 227.00 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

Further, no adjustment has been made for the reversal in terms of the ATE Order dated 20th December, 2006, of Standby Charges credited in previous years estimated at ₹ 519.00 crore, which will be adjusted, wholly by a withdrawal/set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to R-Infra. Since 1st April, 2004, the Company has accounted Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged.

(ii) MERC vide its Tariff Order dated 11th June, 2004, had directed the Company to treat the investment in its wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the capital base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 37(d)(i) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 37(d)(i) above.

e) The Company, in terms of the Share Purchase Agreement, as stated in Note 36 (b)(vii), has undertaken additional "Surplus Land" obligation towards the purchase of 11,40,000 shares of Tata Communications Ltd. by Tata Sons Limited from Panatone Finvest Ltd.

f) The Company had received demands from various levels of sales tax departments in respect of entry tax on imports aggregating ₹ 2,256.91 crore (including interest of ₹ 653.05 crore and penalty of ₹ 743.74 crore) for financial years 2005-06 to 2013-14. The Company paid under protest and accounted ₹ 221.73 crore. The Hon'ble Bombay High Court upheld the levy, in respect of an appeal filed by the Company. The Company filed a Special Leave Petition against the above Order before the Hon'ble Supreme Court, which extended the interim stay granted by the Hon'ble Bombay High Court and requested to list the matter after pleadings are completed. The Company is of the view, supported by legal opinions, that the Company has a strong case on merits. Accordingly, ₹ 2,035.18 crore (including interest of ₹ 653.05 crore and penalty of ₹ 743.74 crore) will be accounted by the Company based on the final outcome of the matter [Refer Note No.37 (a)(i)].

38. Other Disputes

In the matter of claims raised by the Company on R-Infra, towards (i) the difference in the energy charges for the period March 2001 to May 2004 and (ii) for minimum off-take charges of energy for the period 1998 to 2000, MERC has issued an Order dated 12th December, 2007 in favour of the Company. The total amount payable by R-Infra, including interest, is estimated to be ₹ 323.87 crore as on 31st December, 2007. ATE in its Order dated 12th May, 2008 on appeal by R-Infra, has directed R-Infra to pay the difference in the energy charges amounting to ₹ 34.98 crore for the period March 2001 to May 2004. In respect of the minimum off-take charges of energy for the period 1998 to 2000 claimed by the Company from R-Infra, ATE has directed MERC that the issue be examined afresh and after the decision of the Hon'ble Supreme Court in the Appeals relating to the distribution licence and rebates given by R-Infra. The Company and R-Infra had filed appeals in the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Hon'ble Supreme Court, a sum of ₹ 25.00 crore and furnish bank guarantee of ₹ 9.98 crore. The Company had withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Company. On grounds of prudence, the Company has not recognised any income arising from the above matters.

Notes to the Financial Statements

39. Earnings Per Share (EPS)

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company (after adjustment for income in respect of dilutive potential ordinary shares) by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

	Particulars	For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 ₹ crore*
A.	**EPS - Continuing Operations (Excluding Regulatory Income)**		
	Net (loss)/profit from continuing operations	(3,078.78)	*394.50*
	Regulatory expenses	(236.00)	*(155.00)*
	Income-tax attributable to regulatory expenses	81.67	*53.64*
	Regulatory expenses (Net of tax)	(154.33)	*(101.36)*
	Net (loss)/profit (excluding Regulatory Income)	(2,924.45)	*495.86*
	Less: Distribution on Perpetual Securities (on accrual basis) (Net of tax)	(112.06)	*(112.44)*
	(Loss)/Profit from Continuing Operations attributable to equity shareholders (excluding regulatory expenses)	**(3,036.51)**	***383.42***
	Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
	EPS - Continuing Operations (excluding Regulatory Income)		
	- Basic and Diluted (In ₹)	**(11.21)**	***1.42***
B.	**EPS - Continuing Operations (including Regulatory Income)**		
	Net (loss)/profit for the year	(3,078.78)	*394.50*
	Less: Distribution on Perpetual Securities (on accrual basis) (Net of tax)	(112.06)	*(112.44)*
	Profit/(Loss) attributable to equity shareholders	**(3,190.84)**	***282.06***
	Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
	EPS - Continuing Operations (including Regulatory Income)		
	- Basic and Diluted (In ₹)	**(11.79)**	***1.05***
C.	**EPS - Discontinued Operations**		
	Net (loss)/profit from Discontinued Operations	**(71.74)**	***3.04***
	Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
	EPS - Discontinued Operations		
	- Basic and Diluted (In ₹)	**(0.26)**	***0.01***
D.	**EPS - Total Operations (including Regulatory Income)**		
	Net profit from total operations attributable to equity shareholders (including Regulatory Income)	**(3,262.58)**	***285.10***
	Weighted average no. of equity shares for Basic and Diluted EPS	**270,76,05,570**	***270,76,05,570***
	EPS - Total Operations (including Regulatory Income)		
	- Basic and Diluted (In ₹)	**(12.05)**	***1.06***

Notes to the Financial Statements

40. Related Party Disclosures:

Disclosure as required by Ind AS 24 - "Related Party Disclosures" are as follows:

Names of the related parties and description of relationship:

(a) Related parties where control exists:

(i) Subsidiaries

1) Af-Taab Investment Company Limited
2) Tata Power Solar Systems Limited
3) Tata Power Trading Company Limited
4) Tata Power Green Energy Limited
5) Nelco Limited
6) Tatanet Services Limited **
7) Maithon Power Limited
8) Industrial Power Utility Limited
9) Tata Power Renewable Energy Limited
10) Coastal Gujarat Power Limited
11) Bhira Investments Limited
12) Bhivpuri Investments Limited
13) Khopoli Investments Limited
14) Energy Eastern Pte. Ltd. **
15) Trust Energy Resources Pte. Ltd.
16) Tata Power Delhi Distribution Limited
17) NDPL Infra Limited **
18) Tata Power Jamshedpur Distribution Limited
19) PT Sumber Energi Andalan Tbk **
20) Tata Power International Pte. Ltd.
21) Tata Ceramics Limited
22) Supa Windfarm Limited **
23) Poolavadi Windfarm Limited **
24) Nivade Windfarm Limited **
25) Indo Rama Renewables Jath Limited **
26) Walwhan Renewable Energy Limited ** (formerly Welspun Renewables Energy Private Limited)
27) Walwhan Urja Anjar Limited ** (formerly known as Walwhan Urja Anjar Private Limited and Welspun Urja Gujarat Private Limited)
28) Walwhan Solar AP Limited ** (formerly known as Walwhan Solar AP Private Limited and Welspun Solar AP Private Limited)
29) Walwhan Solar Raj Limited ** (formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
30) Northwest Energy Private Limited. **
31) Walwhan Solar Energy GJ Limited ** (formerly known as Walwhan Solar Energy GJ Private Limited and Unity Power Private Limited)
32) Dreisatz MySolar24 Private Limited **
33) MI mySolar24 Private Limited **
34) Walwhan Energy RJ Limited ** (formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
35) Walwhan Solar MP Limited ** (formerly known as Walwhan Solar MP Private Limited and Welspun Solar Madhya Pradesh Private Limited)
36) Walwhan Solar MH Limited ** (formerly known as Walwhan Solar MH Private Limited and Welspun Energy Maharashtra Private Limited)
37) Walwhan Solar KA Limited ** (formerly known as Walwhan Solar KA Private Limited and Welspun Solar Kannada Private Limited)
38) Walwhan Solar PB Limited ** (formerly known as Walwhan Solar PB Private Limited and Welspun Solar Punjab Private Limited)
39) Walwhan Solar RJ Limited ** (formerly known as Walwhan Solar RJ Private Limited and Welspun Solar UP Private Limited)
40) Walwhan Wind RJ Limited ** (formerly known as Walwhan Wind RJ Private Limited and Welspun Energy Rajasthan Private Limited)

Notes to the Financial Statements

40. Related Party Disclosures *(Contd.)*

(i) Subsidiaries *(Contd.)*

41) Walwhan Solar TN Limited ** (formerly known as Walwhan Solar TN Private Limited and Welspun Solar Tech Private Limited)
42) Walwhan Solar BH Limited ** (formerly known as Walwhan Solar BH Private Limited and formerly known as Welspun Energy Jharkhand Private Limited)
43) Clean Sustainable Solar Energy Private Limited **
44) Walwhan Urja India Limited ** (formerly known as Welspun Urja India Limited)
45) Solarsys Renewable Energy Private Limited **
46) Chirasthayee Saurya Limited **
47) Nelco Network Products Limited **
48) Vagarai Windfarm Limited **
49) TP Ajmer Distribution Limited **
50) Far Eastern Natural Resources LLC **

** Through Subsidiary Companies

(ii) Employment Benefit Funds

1) Tata Power Superannuation Fund
2) Tata Power Gratuity Fund
3) Tata Power Consolidated Provident Fund

(b) Other related parties (where transactions have taken place during the year and previous year / balances outstanding) :

(i) Associates

1) Tata Projects Limited
2) Yashmun Engineers Limited
3) Dagacchu Hydro Power Corporation Limited
4) Tata Communications Limited

(ii) Joint Venture Companies

1) Cennergi Pty. Ltd. **
2) Mandakini Coal Company Limited
3) Tubed Coal Mines Limited
4) Itezhi Tezhi Power Corporation
5) Adjaristsqali Georgia LLC **
6) LTH Milcom Private Limited
7) Powerlinks Transmission Limited
8) Industrial Energy Limited
9) Dugar Hydro Power Limited

** Joint Ventures of Subsidiaries

(c) (i) Promoters holding together with its Subsidiary more than 20% — Tata Sons Limited

(ii) Subsidiaries and Jointly Controlled Entities of Promoters (where transactions have taken place during the year and previous year / balances outstanding) :

1) Ewart Investments Limited
2) Infiniti Retail Limited
3) Sir Dorabji Tata Trust
4) Sir Ratan Tata Trust
5) Taj Air Limited
6) Tata AG, Zug
7) Tata AIG General Insurance Company Limited
8) Tata Business Support Services Limited
9) Tata Capital Financial Services Limited
10) Tata Consultancy Services Limited

Notes to the Financial Statements

40. Related Party Disclosures*(Contd.)*

(ii) Subsidiaries and Jointly Controlled Entities of Promoters (where transactions have taken place during the year and previous year / balances outstanding) *(Contd.)*

11) Tata Consulting Engineers Limited
12) Tata Industries Limited
13) Tata Interactive Systems AG
14) Tata Investment Corporation Limited
15) Tata Realty and Infrastructure Limited
16) Tata Teleservices (Maharashtra) Limited
17) Tata Teleservices Limited
18) TC Travel and Services Limited
19) THDC Management Services Limited (formerly THDC Facility Management Ltd)

(d) Key Management Personnel

1) Anil Sardana - CEO & Managing Director
2) Ashok S. Sethi - COO & Executive Director
3) Ramesh N. Subramanyam - Chief Financial Officer
4) Hanoz Minoo Mistry - Company Secretary
5) N. Chandrasekaran (w.e.f. 11th February, 2017)
6) S. Padmanabhan (w.e.f. 16th December, 2016 upto 16th November, 2017)
7) R. Gopalakrishnan (upto 24th December, 2015)
8) Homiar S. Vachha (upto 22nd April, 2017)
9) Nawshir H. Mirza
10) Deepak M. Satwalekar
11) Piyush G. Mankad (upto 17th November, 2016)
12) Ashok K. Basu (upto 23rd March, 2017)
13) Pravin H. Kutumbe (upto 20th May, 2017)
14) Sandhya S. Kudtarkar (w.e.f. 16th April, 2016 upto 16th November, 2017)
15) Anjali Bansal (w.e.f. 14th October, 2016)
16) Vibha Padalkar (w.e.f. 14th October, 2016)
17) Sanjay V. Bhandarkar (w.e.f. 14th October, 2016)
18) Kesava Menon Chandrasekhar (w.e.f. 4th May, 2017)
19) Hemant Bhargava (w.e.f. 24th August, 2017)
20) Saurabh Agrawal (w.e.f. 17th November, 2017)
21) Banmali Agrawala (w.e.f. 17th November, 2017)
22) Cyrus P. Mistry (upto 19th December, 2016)

(e) Details of Transactions:

₹ crore

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Purchase of goods/power (Net of Discount Received on Prompt Payment)	63.38	-	88.48	-	-	0.10	-
	73.73	-	-	-	-	*0.03*	-
Sale of goods/power (Net of Discount on Prompt Payment)	188.77	41.39	-	-	-	37.43	-
	148.14	*31.84*	-	-	-	*36.43*	-
Purchase of fixed assets	1.32	1.80	-	-	-	20.72	-
	0.97	*2.67*	-	-	-	*7.70*	*6.77*
Rendering of services	105.78	0.23	19.94	-	-	2.29	0.96
	109.34	*2.78*	*24.86*	-	-	*1.28*	*0.39*
Receiving of services	0.42	10.17	-	-	-	31.63	0.52
	0.46	*13.43*	-	-	-	*45.22*	*0.40*
Brand equity contribution	-	-	-	-	-	-	21.56
	-	-	-	-	-	-	*18.30*
Contribution to Employee Benefit Plans	-	-	-	-	28.57	-	-
	-	-	-	-	*57.99*	-	-
Guarantee, collaterals etc. given	3,548.27 $	-	-	-	-	-	-
	7,740.20 $	-	-	-	-	-	-
Guarantee, collaterals etc. cancelled	2,862.97 $	-	31.62 $	-	-	-	-
	2,579.13 $	-	*50.05 $*	-	-	-	-

Notes to the Financial Statements

40. Related Party Disclosures *(Contd.)*

(e) Details of Transactions *(Contd.)*

₹ crore

Particulars		Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Remuneration paid		-	-	-	25.17 *	-	-	-
		-	-	-	*25.54* *	-	-	-
Interest income		36.39	-	0.48	-	-	-	-
		223.19	-	*0.44*	-	-	-	-
Interest paid		1.22	-	0.19	-	-	14.95	-
		-	*0.17*	-	-	-	*14.93*	-
Dividend received		619.78	15.31	102.18	-	-	0.01	5.34
		519.23	*12.43*	*114.50*	-	-	*0.05*	*16.02*
Dividend paid		-	-	-	-	-	1.85	109.17
		-	-	-	-	-	*1.85*	*109.17*
Guarantee commission earned		22.27	-	1.28	-	-	-	-
		23.65	-	*1.23*	-	-	-	-
Loan taken		285.00	-	8.00	-	-	-	-
		-	-	-	-	-	-	-
Loans given		1,377.12	-	0.07	-	-	-	-
		187.13	-	*0.02*	-	-	-	-
Impairment of Investments		4,230.32	-	-	-	-	-	-
		-	-	-	-	-	-	-
Damages towards contractual obligations		-	-	-	-	-	107.08	-
		-	-	-	-	-	*651.45*	-
Equity contribution (includes advance towards equity contribution and perpetual bonds) @		1,496.01	-	-	-	-	-	-
		4,800.80	-	*0.15*	-	-	-	-
Loans provided for as doubtful advances (including interest)		-	-	0.07	-	-	-	-
		0.01	-	*0.02*	-	-	-	-
Loans provided for as doubtful advances reversed (including interest)		0.01	-	-	-	-	-	-
		-	-	-	-	-	-	-
Loans taken repaid (including loan converted into equity)		168.00	-	-	-	-	-	-
		-	-	-	-	-	-	-
Loans repaid (including loan converted into equity)		974.94	-	-	-	-	-	-
		356.62	-	*13.25*	-	-	-	-
Deposits taken		-	-	-	-	-	1.79	-
		-	*0.81*	-	-	-	*0.11*	-
Deposits refunded		-	-	-	-	-	1.15	-
		-	-	-	-	-	*0.74*	-
Purchase of Investments		-	-	-	-	-	-	-
		32.93	-	-	-	-	-	-
Liability written back		-	0.51	-	-	-	0.01	-
		-	-	-	-	-	*0.10*	-
Purchase of Business		-	-	-	-	-	-	-
		13.35	-	-	-	-	-	-
Balances outstanding								
Perpetual Securities Outstanding including Interest	2018	-	-	-	-	-	136.17	-
	2017	-	-	-	-	-	*136.17*	-
	2016	-	-	-	-	-	*136.21*	-
Other receivables	2018	32.89	1.14	6.31	-	-	0.19	-
	2017	*71.21*	*4.44*	*9.58*	-	-	*3.83*	-
	2016	*50.53*	*2.75*	*39.26*	-	-	*5.21*	-

Notes to the Financial Statements

40. Related Party Disclosures *(Contd.)*

₹ crore

Particulars		Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Loans given (including interest thereon)	2018	409.21	-	71.59	-	-	-	-
	2017	*1.25*	*1.27*	*71.01*	-	-	-	-
	2016	*4,027.95*	*1.27*	*83.23*	-	-	-	-
Loans taken (including interest thereon)	2018	125.38	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
Loans provided for as doubtful advances (including interest thereon)	2018	1.27	-	54.25	-	-	-	-
	2017	*1.25*	*1.27*	*54.18*	-	-	-	-
	2016	*1.24*	*1.27*	*54.16*	-	-	-	-
Deposits taken outstanding	2018	-	-	-	-	-	3.99	-
	2017	-	*1.53*	-	-	-	*1.33*	-
	2016	-	*0.72*	-	-	-	*1.99*	-
Preference Shares Outstanding including interest	2018	316.20	-	-	-	-	-	-
	2017	*285.60*	-	-	-	-	-	-
	2016	*578.01*	-	-	-	-	-	-
Advance towards equity	2018	-	-	-	-	-	-	-
	2017	*168.00*	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
Dividend receivable	2018	210.06	-	35.80	-	-	-	-
	2017	*92.23*	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
Guarantees, collaterals etc. outstanding	2018	14,574.96	-	-	-	-	-	-
	2017	*13,854.55*	-	*31.62*	-	-	-	-
	2016	*8,881.05*	-	*78.34*	-	-	-	-
Letter of comfort outstanding	2018	-	-	0.05	-	-	-	-
	2017	-	-	*77.47*	-	-	-	-
	2016	-	-	*71.54*	-	-	-	-
Other payables	2018	4.49	1.75	26.52	-	-	3.04	21.72
	2017	*10.56*	*4.09*	*2.02*	-	*15.67*	*5.97*	*22.07*
	2016	*7.00*	*3.92*	*0.02*	-	*34.59*	*1.21*	*25.47*

Notes:

@ During the year, Loan and Interest accrued thereon given to Coastal Gujarat Power Limited and Tata Power Renewable Energy Limited amounting to ₹ Nil *(Previous year - ₹ 3,855.89 crore)* has been converted into Investment in Perpetual Securities and Investment in Equity.

$ Includes guarantees given and cancelled in foreign currency, converted in Indian currency by applying average exchange rates.

* Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Previous year's figures are in italics.

Notes to the Financial Statements

41 Financial Instruments

41.1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying Value			Fair Value		
	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*	31st March, 2018 ₹ crore	*31st March, 2017 ₹ crore*	*1st April, 2016 ₹ crore*
Financial assets						
Cash and Cash Equivalents	42.94	*141.88*	*33.87*	42.94	*141.88*	*33.87*
Other Balances with banks	15.48	*14.47*	*12.06*	15.48	*14.47*	*12.06*
Trade Receivables	1,157.81	*1,420.58*	*1,243.84*	1,157.81	*1,420.58*	*1,243.84*
Unbilled Revenues	53.75	*560.98*	*299.96*	53.75	*560.98*	*299.96*
Loans	424.34	*22.82*	*3,750.47*	424.34	*22.82*	*3,750.47*
Finance Lease Receivables	609.03	*612.63*	*666.43*	609.03	*612.63*	*666.43*
FVTPL Financial Investments #	Nil	*40.74*	*293.99*	Nil	*40.74*	*293.99*
FVTOCI Financial Investments #	419.48	*801.63*	*1,111.25*	419.48	*801.63*	*1,111.25*
Amortised Cost financial investments #	656.49	*646.28*	*635.95*	660.05	*657.94*	*638.49*
Derivative instruments not in hedging relationship	Nil	*Nil*	*12.17*	Nil	*Nil*	*12.17*
Other financial assets	1,157.62	*1,509.14*	*1,477.48*	1,157.62	*1,509.14*	*1,477.48*
Total	**4,536.94**	***5,771.15***	***9,537.47***	**4,540.50**	***5,782.81***	***9,540.01***
Financial liabilities						
Trade Payables	1,126.68	*1,381.80*	*1,297.55*	1,126.68	*1,381.80*	*1,297.55*
Floating rate borrowings (including current maturities)	9,688.34	*8,066.00*	*6,245.22*	9,688.34	*8,066.00*	*6,245.22*
Fixed rate borrowings (including current maturities)	6,883.09	*8,437.65*	*4,983.96*	6,925.46	*8,667.67*	*5,040.01*
Derivative instruments not in hedging relationship	0.82	*49.91*	*9.54*	0.82	*49.91*	*9.54*
Other financial liabilities	1,374.99	*1,358.92*	*1,152.74*	1,374.99	*1,358.92*	*1,152.74*
Total	**19,073.92**	***19,294.28***	***13,689.01***	**19,116.29**	***19,524.30***	***13,745.06***

other than investments in subsidiaries, associates and joint ventures accounted at cost in accordance with Ind AS-27

Note: Certain unquoted investments are not held for trading, instead they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe this provides a more meaningful presentation for medium and long- term strategic investments , then reflecting changes in fair value immediately in profit or loss

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, finance lease receivables, unbilled revenues, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the unquoted equity shares have been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted equity investments.
- The fair value of the remaining FVTOCI financial assets are derived from quoted market price in active markets.
- The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Company's own non-performance risk. As at 31st March, 2018, the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

- The fair value of the Company's interest-bearing borrowing and loans are determined by using DCF method using discount rate that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as on 31st March, 2018 was assessed to be insignificant.
- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

Reconciliation of Level 3 fair value measurement of unquoted equity shares classified as FVTOCI assets

₹ crore

For the year ended 31st March, 2018	**Unlisted shares irrevocably designated as at FVTOCI**
Opening balance	789.75
Total Gain or (Loss)	
- in other comprehensive income	(384.88)
- in profit or loss	Nil
Closing balance	**404.87**

₹ crore

For the year ended 31st March, 2017	**Unlisted shares irrevocably designated as at FVTOCI**
Opening balance	*1,012.25*
Total Gain or (Loss)	
- in other comprehensive income	*(98.04)*
Held for Sale/Disposals/Settlements	*(124.46)*
Closing balance	***789.75***

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity Instruments through Other Comprehensive Income".

The significant unobservable input used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation techniques	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to fair value**
Investments in unquoted equity and preference shares	Price of recent transaction (PORT)	Transaction price	Varies on case to case basis	5% *(31st March, 2017: 5%; 1st April, 2016: 5%)* increase (decrease) in the transaction price would result in increase (decrease) in fair value by ₹ 2.82 crore *(31st March, 2017: ₹ 2.82 crore; 1st April, 2016: ₹ 7.73 crore)*

The discount for lack of marketability represents the amount that the Company has determined that market participants would take into account when pricing the investments.

41.2 Fair value hierarchy

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

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

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

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

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

	Fair Value hierarchy as at 31st March, 2018				
	Date of valuation	Quoted prices in active markets (Level 1) ₹ crore	Significant observable inputs (Level 2) ₹ crore	Significant unobservable inputs (Level 3) ₹ crore	Total ₹ crore
Asset measured at fair value					
FVTOCI financial investments:					
- Quoted equity shares	31st March, 2018	14.61	Nil	Nil	14.61
- Unquoted equity shares	31st March, 2018	Nil	Nil	404.87	404.87
Asset for which fair values are disclosed					
Amortised Cost financial investments:					
- Govt securities	31st March, 2018	405.05	Nil	Nil	405.05
- Unquoted preference share	31st March, 2018	Nil	Nil	255.00	255.00
Total		**419.66**	**Nil**	**659.87**	**1,079.53**
Liabilities measured at fair value					
Derivative financial liabilities	31st March, 2018	Nil	0.82	Nil	0.82
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2018	6,925.46	Nil	Nil	6,925.46
Floating rate borrowings	31st March, 2018	499.00	9,189.34	Nil	9,688.34
Total		**7,424.46**	**9,190.16**	**Nil**	**16,614.62**

	Fair Value hierarchy as at 31st March, 2017				
	Date of valuation	Quoted prices in active markets (Level 1) ₹ crore	Significant observable inputs (Level 2) ₹ crore	Significant unobservable inputs (Level 3) ₹ crore	Total ₹ crore
Asset measured at fair value					
FVTPL financial investments	31st March, 2017	*40.74*	*Nil*	*Nil*	*40.74*
FVTOCI financial investments:					
- Quoted equity shares	31st March, 2017	*11.88*	*Nil*	*Nil*	*11.88*
- Unquoted equity shares	31st March, 2017	*Nil*	*Nil*	*789.75*	*789.75*
Asset for which fair values are disclosed					
Amortised Cost financial investments:					
- Govt securities	31st March, 2017	*397.84*	*Nil*	*Nil*	*397.84*
- Unquoted preference share	31st March, 2017	*Nil*	*Nil*	*260.10*	*260.10*
Total		***450.46***	***Nil***	***1,049.85***	***1,500.31***
Liabilities measured at fair value					
Derivative financial liabilities	31st March, 2017	*Nil*	*49.91*	*Nil*	*49.91*
Liabilities for which fair values are disclosed					
Fixed rate borrowings	31st March, 2017	*8,667.67*	*Nil*	*Nil*	*8,667.67*
Floating rate borrowings	31st March, 2017	*498.85*	*7,567.15*	*Nil*	*8,066.00*
Total		***9,166.52***	***7,617.06***	***Nil***	***16,783.58***

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

	Fair value hierarchy as at 1st April, 2016				
	Date of valuation	Quoted prices in active markets (Level 1) ₹ crore	Significant observable inputs (Level 2) ₹ crore	Significant unobservable inputs (Level 3) ₹ crore	Total ₹ crore
Asset measured at fair value					
FVTPL financial investments	1st April, 2016	*35.72*	*258.27*	*Nil*	*293.99*
FVTOCI financial investments:					
- Quoted equity shares	1st April, 2016	*99.00*	*Nil*	*Nil*	*99.00*
- Unquoted equity shares	1st April, 2016	*Nil*	*Nil*	*1,012.25*	*1,012.25*
Derivative instruments not in hedging relationship	1st April, 2016	*Nil*	*12.17*	*Nil*	*12.17*
Asset for which fair values are disclosed					
Amortised Cost financial investments:					
- Govt securities	1st April, 2016	*378.68*	*Nil*	*Nil*	*378.68*
- Unquoted preference share	1st April, 2016	*Nil*	*Nil*	*259.81*	*259.81*
Total		***513.40***	***270.44***	***1,272.06***	***2,055.90***
Liabilities measured at fair value					
Derivative financial liabilities	1st April, 2016	*Nil*	*9.54*	*Nil*	*9.54*
Liabilities for which fair values are disclosed					
Fixed rate borrowings	1st April, 2016	*5,040.01*	*Nil*	*Nil*	*5,040.01*
Floating rate borrowings	1st April, 2016	*498.47*	*5,746.75*	*Nil*	*6,245.22*
Total		***5,538.48***	***5,756.29***	***Nil***	***11,294.77***

There has been no transfer between level 1 and level 2 during the period.

41.3 Capital Management & Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 50%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows: ₹ crore

	As at 31st March, 2018	*As at 31st March, 2017*	*As at 1st April, 2016*
Debt (i)	16,875.71	*16,900.52*	*11,455.89*
Less: Cash and Bank balances	44.88	*143.82*	*34.58*
Net debt	16,830.83	*16,756.70*	*11,421.31*
Total Capital (ii)	14,488.53	*18,091.97*	*18,309.05*
Capital and net debt	**31,319.36**	***34,848.67***	***29,730.36***
Net debt to Total Capital plus net debt ratio (%)	53.74	*48.08*	*38.42*

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

(ii) Equity is defined as Equity Share Capital, Unsecured Perpetual Securities and Other Equity including reserves and surplus.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

41.4 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables, finance lease receivables and other financial assets that derive directly from its operations. The Company also holds FVTOCI/FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policy is approved by the board of directors, which are summarized below.

41.4 .1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments and FVTOCI investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2018, 31st March, 2017 and 1st April, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31st March, 2018. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

a. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its operations in international projects and purchase of coal from Indonesia and elsewhere and overseas borrowings. The results of the Company's operations can be affected as the rupee appreciates/depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The following table analyzes foreign currency assets and liabilities on balance sheet dates:

	31st March, 2018		***31st March, 2017***		***1st April, 2016***	
Foreign Currency Liabilities	**Foreign Currency (in Millions)**	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***	***Foreign Currency (in Millions)***	***₹ crore***
In USD	78.73	513.16	*261.14*	*1,693.48*	*196.34*	*1,300.65*
In EURO	0.24	1.93	*7.05*	*48.84*	*13.24*	*99.81*
In GBP	Nil	Nil	*3.29*	*29.18*	*8.13*	*77.61*
In JPY	15.37	0.95	*15.38*	*0.89*	*8.21*	*0.48*
In SGD	Nil	Nil	*0.01*	*0.05*	*0.01*	*0.05*

	31st March, 2018		***31st March, 2017***		***1st April, 2016***	
Foreign Currency Assets	**Foreign Currency (in Millions)**	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***	***Foreign Currency (in Millions)***	***₹ crore***
In USD	16.75	*109.17*	*8.88*	*57.61*	*8.36*	*55.39*
In ZAR	0.21	*0.12*	*0.21*	*0.10*	*0.72*	*0.32*
In SGD	Nil	*Nil*	*0.03*	*0.15*	*Nil*	*Nil*
In VND	Nil	*Nil*	*77.48*	*0.01*	*11.24*	*
In TAKA	0.21	*0.02*	*0.21*	*0.02*	*0.21*	*0.02*

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

(i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

₹ crore

		Effect on profit before tax	Effect on pre-tax equity
As of 31st March 2018	Rupee depreciate by ₹ 1 against USD	(-) 0.59	(-) 0.59
	Rupee appreciate by ₹ 1 against USD	(+) 0.59	(+) 0.59
As of 31st March 2017	Rupee depreciate by ₹ 1 against USD	*(-) 0.35*	*(-) 0.35*
	Rupee appreciate by ₹ 1 against USD	*(+) 0.35*	*(+) 0.35*
As of 1st April, 2016	Rupee depreciate by ₹ 1 against USD	*(-) 6.75*	*(-) 6.75*
	Rupee appreciate by ₹ 1 against USD	*(+) 6.94*	*(+) 6.94*

Notes:

1) +/- Gain/Loss
2) The impact of depreciation/ appreciation on foreign currency other than USD on profit before tax of the Company is not material.

(ii) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the market place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts

	Buy/ Sell	**31st March, 2018** Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
Other Derivatives				
Forward contracts				
In USD	Buy	56.60	368.90	(0.82)

		31st March, 2017 *Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contracts				
In USD	Buy	*242.13*	*1,570.19*	*(48.41)*
In EURO	Buy	*6.81*	*47.18*	*(1.10)*
In GBP	Buy	*3.25*	*26.27*	*(0.40)*

		1st April, 2016 *Foreign Currency (in millions)*	*Nominal Value in ₹ crore*	*Fair Value in ₹ crore*
Other Derivatives				
Forward contracts				
In USD	Buy	*65.58*	*434.45*	*(9.32)*
In EURO	Buy	*12.43*	*93.69*	*2.07*
In GBP	Buy	*8.06*	*76.94*	*(2.29)*
Option contract				
In USD	Buy	*118.73*	*786.53*	*12.17*

Note:

Fair Value in () denote liability

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

b. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest. To manage this, the Company enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(i) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹ crore

	As of 31st March, 2018		*As of 31st March, 2017*	
	50 bps increase	50 bps decrease	*50 bps increase*	*50 bps decrease*
Interest expense on loan	(+) 24.75	(-) 24.75	*(+) 20.88*	*(-) 20.88*
Effect on profit before tax	(-) 24.75	(+) 24.75	*(-) 20.88*	*(+) 20.88*

41.4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. The Company generally deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment as listed below:

₹ crore

	31st March, 2018	*31st March, 2017*	*1st April, 2016*
Trade Receivables	1,157.81	*1,420.58*	*1,243.84*
Loans	424.34	*22.82*	*3,750.47*
Finance Lease Receivables	609.03	*612.63*	*666.43*
Other Financial Assets	1,157.62	*1,509.14*	*1,489.65*
Unbilled Revenue	53.75	*560.98*	*299.96*
Total	**3,402.55**	***4,126.15***	***7,450.35***

Refer Note 9 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

Notes to the Financial Statements

41 Financial Instruments *(Contd.)*

41.4.3 Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ crore

31st March, 2018	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
Non-Derivatives					
Borrowings #	9,435.61	6,343.70	12,853.61	28,632.92	16,875.71
Trade Payables	1,105.68	21.00	Nil	1,126.68	1,126.68
Other Financial Liabilities	959.97	110.74	Nil	1,070.71	1,070.71
Total Non-Derivative Liabilities	**11,501.26**	**6,475.44**	**12,853.61**	**30,830.31**	**19,073.10**
Derivatives					
Other Financial Liabilities	0.82	Nil	Nil	0.82	0.82
Total Derivative Liabilities	**0.82**	**Nil**	**Nil**	**0.82**	**0.82**
31st March, 2017	**Up to 1 year**	**1 to 5 years**	**5+ years**	**Total**	**Carrying Amount**
Non-Derivatives					
Borrowings #	*8,901.29*	*6,551.00*	*13,422.97*	*28,875.26*	*16,900.52*
Trade Payables	*1,346.23*	*35.57*	*Nil*	*1,381.80*	*1,381.80*
Other Financial Liabilities	*922.02*	*40.03*	*Nil*	*962.05*	*962.05*
Total Non-Derivative Liabilities	***11,169.54***	***6,626.60***	***13,422.97***	***31,219.11***	***19,244.37***
Derivatives					
Other Financial Liabilities	*49.91*	*Nil*	*Nil*	*49.91*	*49.91*
Total Derivative Liabilities	***49.91***	***Nil***	***Nil***	***49.91***	***49.91***
1st April, 2016	**Up to 1 year**	**1 to 5 years**	**5+ years**	**Total**	**Carrying Amount**
Non-Derivatives					
Borrowings #	*3,167.02*	*7,428.32*	*12,841.70*	*23,437.04*	*11,455.89*
Trade Payables	*1,264.43*	*33.12*	*Nil*	*1,297.55*	*1,297.55*
Other Financial Liabilities	*892.44*	*33.59*	*Nil*	*926.03*	*926.03*
Total Non-Derivative Liabilities	***5,323.89***	***7,495.03***	***12,841.70***	***25,660.62***	***13,679.47***
Derivatives					
Other Financial Liabilities	*9.54*	*Nil*	*Nil*	*9.54*	*9.54*
Total Derivative Liabilities	***9.54***	***Nil***	***Nil***	***9.54***	***9.54***

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amount included in Note 37(c) for financial guarantee contracts are the maximum amounts the Company could be forced to settle under respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Notes to the Financial Statements

42. Segment Reporting:

Information reported to the Chief Operating Decisions Maker (CODM) for the purpose of resource allocation and assessment of segment performance focus on business segment which comprises of Power and Others.

Specifically, the Company's reportable segments under Ind AS are as follows:

Power : Comprises of Generation, Transmission, Distribution and assets relating to Power Business given on Finance Lease

Others: Comprises of Project Contracts/Infrastructure Management Services and Property Development

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(a) Primary Segment Information:

₹ crore

		Power	Others	Discontinued Operations *	Eliminations	Total
REVENUE						
External Revenue		7,134.94	165.65	286.74	-	**7,587.33**
		6,593.33	*175.83*	*548.15*	-	***7,317.31***
RESULT						
Total Segment Results		1,749.30	48.28	-	-	1,797.58
		1,615.50	*49.52*	-	-	*1,665.02*
Finance Costs						(1,431.38)
						(1,318.76)
Exceptional Item - Power Business						(100.00)
						-
Exceptional Item - Unallocable						(4,337.40)
						(651.45)
Unallocable Income net of Unallocable Expense						826.60
						820.42
Profit before tax - continuing operations						**(3,244.60)**
						515.23
Profit before tax - discontinued operations *						**(85.87)**
						16.44
OTHER INFORMATION						
Segment Assets	2018	13,992.00	125.89	-	-	14,117.89
	2017	*15,109.67*	*2,333.10*	-	-	*17,442.77*
	2016	*15,597.20*	*1,655.15*	-	-	*17,252.35*
Unallocable Assets	2018					20,318.99
	2017					*23,389.73*
	2016					*18,236.89*
Assets classified as held for sale (Refer Note 18)	2018					2,065.19
	2017					-
	2016					-
Total Assets	2018					**36,502.07**
	2017					***40,832.50***
	2016					***35,489.24***

Notes to the Financial Statements

42. Segment Reporting *(Contd.)*

₹ crore

		Power	Others	Discontinued Operations *	Eliminations	Total
Segment Liabilities	2018	3,543.35	257.50	-	-	3,800.85
	2017	*3,678.17*	*542.60*	-	-	*4,220.77*
	2016	*3,467.92*	*630.79*	-	-	*4,098.71*
Unallocable Liabilities	2018					17,335.13
	2017					*18,519.76*
	2016					*13,081.48*
Liabilities classified as held for sale (Refer Note 18)	2018					877.56
	2017					-
	2016					-
Total Liabilities	2018					**22,013.54**
	2017					***22,740.53***
	2016					***17,180.19***
Capital Expenditure		430.52	1.34	233.14	-	**665.00**
		611.10	*0.99*	*271.94*	-	*884.03*
Non-cash Expenses other than Depreciation/Amortisation (to the extent allocable to segment)		(6.71)	(3.82)	-	-	(10.53)
		13.69	*13.97*	-	-	*27.66*
Depreciation/Amortisation (to the extent allocable to segment)		661.22	1.99	-	-	663.21
		603.14	*1.86*	-	-	*605.00*

₹ crore

	Power	Others	Discontinued Operations *	Eliminations	Total
RECONCILIATION OF REVENUE					
REVENUE					
Revenue from Operations	7,370.94	165.65	286.74	-	7,823.33
	6,748.33	*175.83*	*548.15*	-	*7,472.31*
Add/(Less): Regulatory income/ (expense) (Net)	(236.00)	-	-	-	(236.00)
	(232.00)	-	-	-	*(232.00)*
Add/(Less): Regulatory income/ (expense) (Net) in respect of earlier years	-	-	-	-	-
	77.00	-	-	-	*77.00*
Total Segment Revenue as reported above	7,134.94	165.65	286.74	-	7,587.33
	6,593.33	*175.83*	*548.15*	-	*7,317.31*

* Refer Note 18

Notes:

1. Comparative figures for Statement of Profit and Loss items are for the year ended 31st March, 2017 and Balance Sheet items are as at 31st March, 2017 and 1st April, 2016.
2. Revenue from a DISCOM on sale of electricity with which Company has entered into a Power Purchase Agreement accounts for more than 10% of Total Revenue. Revenue from another customer (Industrial undertaking) pertaining to Finance lease accounts for more than 10% of Total Revenue.
3. Previous period/year's figures are in italics which are restated (Refer Note 44).

Notes to the Financial Statements

42. Segment Reporting *(Contd.)*

Reconciliation of Assets & Liabilities		As at 31st March, 2018 ₹ crore	*As at 31st March, 2017 # ₹ crore*	*As at 1st April, 2016 # ₹ crore*
Segment Operating Assets	[A]	14,117.89	*17,442.77*	*17,252.35*
Unallocable Assets				
Investments (Non-current and Current)		18,392.45	*22,470.39*	*14,038.40*
Assets held for sale other than discontinued operations		1,195.95	*235.72*	*Nil*
Loans Given		424.34	*22.82*	*3,750.47*
Interest Accrued on loan given to related parties		7.40	*1.35*	*312.92*
Dividend Receivable		245.87	*92.23*	*Nil*
Deposits and Balances with Bank		15.48	*112.47*	*13.28*
Advance towards equity and other advances		Nil	*306.55*	*Nil*
Other Unallocable Assets		37.50	*148.20*	*121.82*
Total Unallocable Assets	[B]	20,318.99	*23,389.73*	*18,236.89*
Add: Assets of Discontinued Operations	[C]	2,065.19	*Nil*	*Nil*
Total Assets	**[A]+[B]+[C]**	**36,502.07**	***40,832.50***	***35,489.24***
Segment Operating Liabilities	[A]	3,800.85	*4,220.77*	*4,098.71*
Unallocable Liabilities				
Borrowings (Non-current and Current)		12,433.30	*11,211.51*	*10,447.70*
Current Maturities of Long-term debt		4,109.80	*5,263.81*	*724.49*
Deferred Tax Liabilities (Net)		235.99	*1,468.88*	*1,541.26*
Interest Accrued but not due on Borrowings		303.90	*396.87*	*226.71*
Current Tax Liabilities		107.67	*98.62*	*106.13*
Financial Guarantee Obligation towards lenders of jointly controlled entity		97.77	*Nil*	*Nil*
Other Unallocable Liabilities		46.70	*80.07*	*35.19*
Total Unallocable Liabilities	[B]	17,335.13	*18,519.76*	*13,081.48*
Add: Liabilities of Discontinued Operations	[C]	877.56	*Nil*	*Nil*
Total Liabilities	**[A]+[B]+[C]**	**22,013.54**	***22,740.53***	***17,180.19***

Reconciliation of Profit		For the year ended 31st March, 2018 ₹ crore	*For the year ended 31st March, 2017 # ₹ crore*
Segment Profit	[A]	1,797.58	*1,665.02*
Unallocable Income/(Expense):			
Other Income		929.61	*994.71*
Employee Benefit Expenses		(14.91)	*(13.25)*
Depreciation and Amortisation		(0.02)	*(0.03)*
Other Expenses		(88.08)	*(161.01)*
Total	[B]	826.60	*820.42*
Less: Finance Cost	[C]	(1,431.38)	*(1,318.76)*
Less: Exceptional Items			
Impairment of Property, Plant & Equipment - Power		(100.00)	*Nil*
Impairment of Non-current Investments - Unallocable		(4,230.32)	*Nil*
Damages Towards Contractual Obligation - Unallocable		(107.08)	*(651.45)*
Total	[D]	(4,437.40)	*(651.45)*
Profit/(Loss) Before Tax from Continuing Operations	[A]+[B]+[C]+[D]	**(3,244.60)**	***515.23***
Profit/(Loss) Before Tax from Discontinued Operations		(71.74)	*3.04*
Profit Before Taxes		**(3,316.34)**	***518.27***
Add/(Less): Tax Expense		(165.82)	*120.73*
Profit/(Loss) for the year		**(3,150.52)**	***397.54***

Restated

(b) Secondary Segment Information:

The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

43. Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Notes to the Financial Statements

44. Restated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016.

Standalone Balance Sheet as at 31st March, 2017

	Notes	Reported Amount As at 31st March, 2017 ₹ crore	Restatements ₹ crore	CTTL Merger (Refer Note 6 below) ₹ crore	Restated Amount As at 31st March, 2017 ₹ crore
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	1	8,130.21	220.31	7.78	8,358.30
(b) Capital Work-in-Progress		666.18	0.01	Nil	666.19
(c) Investment Property		Nil	Nil	0.96	0.96
(d) Intangible Assets		189.87	Nil	Nil	189.87
(e) Intangible Assets under Development		254.68	Nil	Nil	254.68
(f) Financial Assets					
(i) Investments		22,369.27	Nil	(28.96)	22,340.31
(ii) Trade Receivables		185.76	Nil	Nil	185.76
(iii) Loans		22.82	Nil	Nil	22.82
(iv) Finance Lease Receivables		573.47	Nil	Nil	573.47
(v) Other Financial Assets	2, 3	820.10	311.00	1.30	1,132.40
(g) Non-current Tax Assets (Net)		Nil	Nil	Nil	Nil
(h) Other Non-current Assets	1	1,105.15	(220.32)	Nil	884.83
Total Non-current Assets		**34,317.51**	**311.00**	**(18.92)**	**34,609.59**
Current Assets					
(a) Inventories		671.09	Nil	Nil	671.09
(b) Financial Assets					
(i) Investments		89.34	Nil	40.74	130.08
(ii) Trade Receivables		1,234.26	Nil	0.56	1,234.82
(iii) Unbilled Revenue		560.98	Nil	Nil	560.98
(iv) Cash and Cash Equivalents		141.60	Nil	0.28	141.88
(v) Bank Balances other than (iv) above		14.47	Nil	Nil	14.47
(vi) Loans		Nil	Nil	Nil	Nil
(vii) Finance lease receivables		39.16	Nil	Nil	39.16
(viii) Other financial assets		376.71	Nil	0.03	376.74
(c) Other Current Assets		273.83	Nil	0.14	273.97
Total Current Assets		**3,401.44**	**Nil**	**41.75**	**3,443.19**
Assets Classified as Held For Sale		235.72	Nil	Nil	235.72
Total Assets before Regulatory Deferral Account		**37,954.67**	**311.00**	**22.83**	**38,288.50**
Regulatory Deferral Account - Assets	2, 3	**1,914.00**	**630.00**	**Nil**	**2,544.00**
TOTAL ASSETS		**39,868.67**	**941.00**	**22.83**	**40,832.50**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital		270.50	Nil	Nil	270.50
(b) Unsecured Perpetual Securities		1,500.00	Nil	Nil	1,500.00
(c) Other Equity	2, 3, 4	14,778.06	1,519.08	24.33	16,321.47
Total Equity		**16,548.56**	**1,519.08**	**24.33**	**18,091.97**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings		8,847.86	Nil	Nil	8,847.86
(ii) Trade Payables		35.57	Nil	Nil	35.57
(iii) Other Financial Liabilities	9	31.98	8.05	Nil	40.03
(b) Provisions		170.17	Nil	0.58	170.75
(c) Deferred Tax Liabilities (Net)		1,472.09	Nil	(3.21)	1,468.88
(d) Other Non-current Liabilities	9	187.34	(8.05)	Nil	179.29
Total Non-current Liabilities		**10,745.01**	**Nil**	**(2.63)**	**10,742.38**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings		2,391.98	Nil	Nil	2,391.98
(ii) Trade Payables		1,344.68	Nil	1.55	1,346.23
(iii) Other Financial Liabilities		6,632.32	Nil	0.29	6,632.61
(b) Provisions		52.33	Nil	0.62	52.95
(c) Current Tax Liabilities (Net)	3	18.26	82.00	(1.64)	98.62
(d) Other Current Liabilities	4	1,479.53	(660.08)	0.31	819.76
Total Current Liabilities		**11,919.10**	**(578.08)**	**1.13**	**11,342.15**
Total Liabilities before Regulatory Deferral Account		**22,664.11**	**(578.08)**	**(1.50)**	**22,084.53**
Regulatory Deferral Account - Liability		**656.00**	**Nil**	**Nil**	**656.00**
TOTAL EQUITY AND LIABILITIES		**39,868.67**	**941.00**	**22.83**	**40,832.50**

Notes to the Financial Statements

44. Restated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Standalone Balance Sheet as at 1st April, 2016

	Notes	Reported Amount As at 1st April, 2016 ₹ crore	Restatements ₹ crore	CTTL Merger (Refer Note 6 below) ₹ crore	Restated Amount As at 1st April, 2016 ₹ crore
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	1	8,251.53	222.69	8.36	8,482.58
(b) Capital Work-in-Progress		485.72	Nil	(0.09)	485.63
(c) Investment Property		Nil	Nil	1.01	1.01
(d) Intangible Assets		140.54	Nil	Nil	140.54
(e) Intangible Assets under Development		209.70	Nil	Nil	209.70
(f) Financial Assets					
(i) Investments		14,031.71	Nil	(29.25)	14,002.46
(ii) Trade Receivables		185.76	Nil	Nil	185.76
(iii) Loans		3,644.45	Nil	0.02	3,644.47
(iv) Finance Lease Receivables		617.63	Nil	Nil	617.63
(v) Other Financial Assets	2, 3	1,006.26	270.00	1.30	1,277.56
(g) Non-current Tax Assets (Net)		Nil	Nil	Nil	Nil
(h) Other Non-current Assets	1	1,143.96	(222.69)	Nil	921.27
Total Non-current Assets		**29,717.26**	**270.00**	**(18.65)**	**29,968.61**
Current Assets					
(a) Inventories		689.05	Nil	Nil	689.05
(b) Financial Assets					
(i) Investments		0.22	Nil	35.72	35.94
(ii) Trade Receivables		1,057.23	Nil	0.85	1,058.08
(iii) Unbilled Revenue		299.96	Nil	Nil	299.96
(iv) Cash and Cash Equivalents		33.83	Nil	0.04	33.87
(v) Bank Balances other than (iv) above		12.06	Nil	Nil	12.06
(vi) Loans		106.00	Nil	Nil	106.00
(vii) Finance lease receivables		48.80	Nil	Nil	48.80
(viii) Other financial assets		212.06	Nil	0.03	212.09
(c) Other Current Assets		345.06	Nil	(0.37)	344.69
Total Current Assets		**2,804.27**	**Nil**	**36.27**	**2,840.54**
Assets Classified as Held For Sale		Nil	Nil	Nil	Nil
Total Assets before Regulatory Deferral Account		**32,521.53**	**270.00**	**17.62**	**32,809.15**
Regulatory Deferral Account - Assets	2, 3	**2,093.09**	**587.00**	**Nil**	**2,680.09**
TOTAL ASSETS		**34,614.62**	**857.00**	**17.62**	**35,489.24**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital		270.48	Nil	Nil	270.48
(b) Unsecured Perpetual Securities		1,500.00	Nil	Nil	1,500.00
(c) Other Equity	2, 3, 4	15,079.98	1,439.08	19.51	16,538.57
Total Equity		**16,850.46**	**1,439.08**	**19.51**	**18,309.05**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings		8,983.62	Nil	Nil	8,983.62
(ii) Trade Payables		33.12	Nil	Nil	33.12
(iii) Other Financial Liabilities		33.59	Nil	Nil	33.59
(b) Provisions		151.57	Nil	0.47	152.04
(c) Deferred Tax Liabilities (Net)		1,543.94	Nil	(2.68)	1,541.26
(d) Other Non-current Liabilities		176.85	Nil	Nil	176.85
Total Non-current Liabilities		**10,922.69**	**Nil**	**(2.21)**	**10,920.48**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings		1,507.09	Nil	Nil	1,507.09
(ii) Trade Payables		1,263.26	Nil	1.17	1,264.43
(iii) Other Financial Liabilities		1,866.79	Nil	0.37	1,867.16
(b) Provisions		73.59	Nil	0.25	73.84
(c) Current Tax Liabilities (Net)	3	29.74	78.00	(1.61)	106.13
(d) Other Current Liabilities	4	1,420.62	(660.08)	0.14	760.68
Total Current Liabilities		**6,161.09**	**(582.08)**	**0.32**	**5,579.33**
Total Liabilities before Regulatory Deferral Account		**17,083.78**	**(582.08)**	**(1.89)**	**16,499.81**
Regulatory Deferral Account - Liability		**680.38**	**Nil**	**Nil**	**680.38**
TOTAL EQUITY AND LIABILITIES		**34,614.62**	**857.00**	**17.62**	**35,489.24**

Notes to the Financial Statements

44. Restated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Statement of Profit and Loss for the year ended 31st March, 2017

		Notes	Reported Amount For the year ended 31st March, 2017 ₹ crore	Restatements ₹ crore	Discontinued Operations (Refer Note 18) ₹ crore	CTTL Merger (Refer Note 6 below) ₹ crore	Restated Amount For the year ended 31st March, 2017 ₹ crore
I	Revenue from Operations	3, 7	7,218.06	238.00	(548.14)	16.24	6,924.16
II	Other Income	8	913.83	78.37	0.02	2.50	994.72
III	**Total Income**		**8,131.89**	**316.37**	**(548.12)**	**18.74**	**7,918.88**
IV	**Expenses**						
	Cost of Power Purchased		466.52	Nil	Nil	Nil	466.52
	Cost of Fuel		2,342.83	Nil	Nil	Nil	2,342.83
	Transmission Charges		221.30	Nil	Nil	Nil	221.30
	Cost of Components Consumed		349.98	Nil	(349.98)	Nil	Nil
	Employee Benefits Expense		660.80	Nil	(34.82)	5.04	631.02
	Finance Costs	8	1,295.68	28.69	(5.60)	(0.01)	1,318.76
	Depreciation and Amortisation Expenses	1	634.21	2.38	(33.01)	1.42	605.00
	Other Expenses	1, 8	1,066.99	47.30	(108.27)	5.75	1,011.77
	Total Expenses		**7,038.31**	**78.37**	**(531.68)**	**12.20**	**6,597.20**
V	**Profit/(Loss) Before Rate Regulated Activities, Exceptional Items, Tax**		**1,093.58**	**238.00**	**(16.44)**	**6.54**	**1,321.68**
	Add/(Less): Regulatory income/(expense) (net)	7	(13.00)	(219.00)	Nil	Nil	(232.00)
	Add/(Less): Regulatory income/(expense) (net) in respect of earlier years		77.00	Nil	Nil	Nil	77.00
			64.00	(219.00)	Nil	Nil	(155.00)
VI	**Profit/(Loss) Before Exceptional Items, Tax**		**1,157.58**	**19.00**	**(16.44)**	**6.54**	**1,166.68**
	Less: Exceptional Items						
	Loss Towards Contractual Obligation		651.45	Nil	Nil	Nil	651.45
			651.45	Nil	Nil	Nil	651.45
VII	**Profit/(Loss) Before Tax**		**506.13**	**19.00**	**(16.44)**	**6.54**	**515.23**
VIII	**Tax Expense**						
	Current Tax	3, 5	290.92	(24.99)	(3.71)	1.97	264.19
	Deferred Tax		(68.24)	Nil	(9.69)	(0.53)	(78.46)
	Deferred Tax (Recoverable)/Payable	2	Nil	(65.00)	Nil	Nil	(65.00)
			222.68	(89.99)	(13.40)	1.44	120.73
	Profit/(Loss) for the Year from Continuing Operations		**283.45**	**108.99**	**(3.04)**	**5.10**	**394.50**
	Profit before tax from Discontinued Operations		**Nil**	**Nil**	**16.44**	**Nil**	**16.44**
	Tax Expense on Discontinued Operations		**Nil**	**Nil**	**(13.40)**	**Nil**	**(13.40)**
	Profit for the Year from Discontinued Operations		**Nil**	**Nil**	**3.04**	**Nil**	**3.04**
X	**Profit for the Year**		**283.45**	**108.99**	**Nil**	**5.10**	**397.54**
XI	**Other Comprehensive Income/(Expense)**						
	A (i) Items that will not be reclassified to profit or loss						
	(a) Equity Instruments through Other Comprehensive Income		(113.97)	Nil	Nil	Nil	(113.97)
	(b) Gain on sale of Investment classified at FVTOCI		0.10	Nil	Nil	Nil	0.10
	(c) Remeasurement of the Defined Benefit Plans		(11.40)	Nil	Nil	(0.28)	(11.68)
	(ii) Tax relating to items that will not be reclassified to profit and loss						
	(a) Current Tax		Nil	Nil	Nil	Nil	Nil
	(b) Deferred Tax		4.07	Nil	Nil	Nil	4.07
	B (i) Items that will be reclassified to profit or loss		Nil	Nil	Nil	Nil	Nil
	(ii) Income tax on Items that will be reclassified to profit or loss		Nil	Nil	Nil	Nil	Nil
	Other Comprehensive Income/(Expense)		**(121.20)**	**Nil**	**Nil**	**(0.28)**	**(121.48)**
XII	**Total Comprehensive Income for the year (X + XI)**		**162.25**	**108.99**	**Nil**	**4.82**	**276.06**

Notes to the Financial Statements

44. Restated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016.

	As at 31st March, 2017 ₹ crore	As at 1st April, 2016 ₹ crore
Equity Share Capital	270.50	270.48
Unsecured Perpetual Securities	1,500.00	1,500.00
Other Equity	14,778.06	15,079.98
Total Equity as per Reported Financial Statements	**16,548.56**	**16,850.46**
Transfer of Statutory Consumer Reserves from Other Current Liabilities to Statutory Reserves	660.08	660.08
Regulatory Assets on Current Tax recoverable	383.00	364.00
Regulatory Assets on Deferred Tax recoverable	558.00	493.00
Tax Expense	(82.00)	(78.00)
Reserves of Chemical Terminal Trombay Limited on merger	24.33	19.51
Total Equity as per Restated Financial Statements	**18,091.97**	**18,309.05**

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017.

	For the year ended 31st March, 2017 ₹ crore
Total Comprehensive Income as per Reported Financial Statements	162.25
Regulatory Assets on Tax Recoverable	19.00
Regulatory Assets on Deferred Tax Recoverable	65.00
Tax Expense	(4.00)
Reserves of Chemical Terminal Trombay Limited on merger	4.82
Tax on Dividend received from subsidiaries transferred to Retained Earnings	28.99
Total Comprehensive Income as per Restated Financial Statements	**276.06**

Notes:

1 The Company has reclassified a Leasehold Land as a finance lease under Property, Plant and Equipment during the current year which was earlier classified as an operating lease under Non-current assets. Accordingly, ₹ 222.69 crore as at 1st April, 2016 and ₹ 220.31 crore as at 31st March, 2017 has been re-classified from Non-current Assets to Property, Plant and Equipment. Consequently, amortisation of the premium paid for Leasehold Land of ₹ 2.38 crore for the year ended 31st March, 2017 has been reclassified from Other Expenses to Depreciation and Amortisation.

2 In its regulated operations, the Company is entitled to a fixed return on its investment, net of tax. Consequently, tax is a pass-through cost. The Company followed a practice of not recognizing a regulatory asset for such pass-through cost until the previous year. The Company has reviewed this accounting treatment and recorded regulatory assets (recoverable in future from consumers) for deferred tax as below:

- Deferred tax as at 1st April, 2016 - ₹ 493 crore;
- Deferred tax for the year ended 31st March, 2017 - ₹ 65 crore and as at 31st March, 2017 - ₹ 558 crore

Due to uncertainty as to the method of its recovery after expiry of its Power Purchase Agreement (PPA) as at 31st March, 2019, a similar deferred tax asset of ₹ 474 crore and ₹ 519 crore as at 31st March, 2017 and 1st April, 2016 respectively, for a Trombay generating station has not been recognized.

3 In the regulated operations of the Company, regulatory asset on income tax expense was considered in the year of recovery. The Company has reviewed the accounting treatment and recognized a regulatory asset of ₹ 364 crore as at 1st April, 2016 and ₹ 19 crore for the year ended 31st March, 2017 and current tax liability of ₹ 78 crore as at 1st April, 2016 and ₹ 4 crore for the year ended 31st March 2017.

4 During the year ended 31st March, 2018, the Company reviewed and reassessed the classification of certain old matters pertaining to its regulated business. Consequently, the statutory appropriation reserve and investment allowance reserve created prior to the enactment of Maharashtra Electricity Regulatory Commission Tariff Regulations, 2003 amounting to ₹ 660.08 crore as at 1st April, 2016 and 31st March, 2017 have been reclassified from “other current liabilities” to “other equity”.

5 As per the clarifications issued by ICAI during the year, the Company reclassified income taxes paid on dividend received for which set off was allowed against the Dividend Distribution Tax (DDT) from “current tax” to “other equity”. Accordingly, tax expense is lower by and net profit is higher by ₹ 28.99 crore for the year ended 31st March, 2017.

Notes to the Financial Statements

44. Restated Financial Statements for the year ended 31st March, 2017 and as at 1st April, 2016 *(Contd.)*

6 The National Company Law Tribunal, Mumbai vide order dated 27th July, 2017, approved the Scheme of Amalgamation of a wholly owned subsidiary of the Company, Chemical Terminal Trombay Limited (CTTL) with the Company with effect from 1st April, 2017 (the appointed date). The following accounting treatment, inter-alia, has been given effect to the Scheme as approved by the Hon'ble High Court of Bombay:

(a) The merger has been accounted for under 'Pooling of Interest Method' as prescribed under Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations. Accordingly, prior years' financial information in the financial statements have been restated.

(b) All assets, liabilities, income and expenditure of CTTL have been recorded in the books at their respective carrying amounts after eliminating intercompany balances and transactions. General Reserve of ₹ 23.68 crore, Retained Earnings of ₹ 31.53 crore and Capital Redemption Reserve of ₹ 0.25 crore of CTTL as at 1st April, 2016 have been transferred to the respective reserves. The difference between the Company's investment and CTTL's share capital amounting to ₹ 35.95 crore has been reduced from General Reserve.

7 The Company hitherto followed a practice of presenting recovery of regulatory asset pertaining to earlier years under regulatory income/expense. Based on Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India and Ind AS 114 Rate regulated activities, the Company has reviewed this treatment and reclassified the said recovery amounting to ₹ 219 crore from regulatory income/expense to Revenue from Operations for the year ended 31st March, 2017.

8 During the year ended 31st March, 2017, the Company has reclassified gain/loss on foreign exchange fluctuation (net) pertaining to Borrowings of ₹ 78.37 crore from 'Other Income' to 'Finance Cost' and 'Other Expenses' amounting to ₹ 28.69 crore and ₹ 49.68 crore respectively .

9 The Company has reclassified Guarantee Commission Obligation from 'Other Non-current Liabilities' to 'Other Non-current Financial Liabilities' amounting to ₹ 8.05 crore as at 31st March, 2017.

45. The Company is engaged in the business of providing infrastructural facilities as per Section 186 (ii) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act, is not applicable to the Company.

46. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 2nd May, 2018.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

per SUDHIR SONI
Partner
Membership No. 41870
Mumbai, 2nd May, 2018.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 2nd May, 2018.

For and on behalf of the Board,
N. CHANDRASEKARAN
Chairman

PRAVEER SINHA
CEO & Managing Director

Performance Perspective (Standalone)

₹ crore

	2008-09	2009-10	2010-11	2011-12 *	2012-13	2013-14	2014-15	@2015-16	@#^2016-17	@^2017-18
Generation (in MU's)	14,807	15,946	15,325	15,230	15,770	13,183	11,974	12,075	12,227	12,237
Operating Income !	7,236	7,098	6,918	8,496	9,567	8,675	8,678	8,316	6,769	7,301
Operating Expenses	6,095	5,220	5,330	6,711	7,509	6,121	6,516	5,736	4,673	4,943
Operating Profit	1,141	1,879	1,588	1,785	2,058	2,554	2,162	2,580	2,096	2,358
Other Income #	632	282	494	983	722	656	1,025	962	995	929
EBITDA	1,773	2,160	2,082	2,768	2,752	2,946	3,138	3,485	3,090	3,287
Finance Cost	328	423	460	515	684	868	1,047	1,146	1,319	1,431
Depreciation	329	478	510	570	364	587	575	604	605	663
Exceptional Items - gain/(loss)								-	(651)	(4,437)
PBT	1,117	1,259	1,112	1,683	1,703	1,491	1,516	1,734	515	(3,245)
Tax	194	321	170	513	679	537	505	379	121	(166)
PAT from Discontinued Operations									3	(72)
PAT	922	939	941	1,170	1,025	954	1,010	1,355	398	(3,151)
Basic Earning Per Share (EPS) - ₹ / shares	44	41	41	5	3	3	3	4.6	1.1	(12.1)
Dividend per share(%)	115%	120%	125%	125%	115%	125%	130%	130%	130%	130%

Return On Capital Employed [ROCE] (%) **	11%	11%	10%	10%	9%	10%	9%	13%	10%	13%
Return On Net Worth [RONW] (%) $	14%	10%	10%	10%	7%	7%	6%	8%	5%	7%
Long Term Debts / Equity	0.52	0.55	0.63	0.59	0.71	0.71	0.58	0.58	0.78	0.85
Total Debts/ Equity	0.60	0.55	0.70	0.65	0.80	0.83	0.69	0.67	0.90	1.14

Capital	221	237	237	237	237	237	270	270	271	271
Shareholder's Reserves	7,182	9,173	9,801	10,389	10,803	11,649	14,196	15,080	16,321	12,718
Borrowings	5,198	5,872	6,981	7,906	10,069	11,080	11,037	11,229	16,504	16,571
Gross Block (incl. Capital WIP)	9,747	10,487	11,548	13,083	14,137	15,607	16,878	14,913	15,856	15,383
Accumulated Depreciation	3,795	4,258	4,736	5,300	5,648	6,233	6,729	5,826	6,387	6,998
Net Block	5,952	6,229	6,812	7,783	8,489	9,374	10,149	9,087	9,469	8,386

Notes:

*Share split from ₹10 to ₹ 1 in FY 12.

Other Income excludes Gain / Loss on exchange.

! Operating income includes Rate/Regulatory Income/ (Expenses).

FY11, FY12, FY13, FY14 & FY15 information is based on Revised Schedule VI workings.

@ Information is based on Ind AS.

FY17 information has been restated.

^Includes financial information of CTTL, erstwhile subsidiary on account of merger. Further, SED information has been disclosed as Discontinued Operations.

$ RONW is before exceptional items and based on distributable profits (excluding Unsecured Perpetual Securities and its distribution).

** ROCE is based on operating profit (before depreciation and finance cost) but after tax.

GLOSSARY

AA	Affirmative Action
ADB	Asian Development Bank
ADMS	Advanced Distribution Management System
AfDB	African Development Bank
AGL	Adjaristsqali Georgia LLC
AGM	Annual General Meeting
AIS	Air Insulated Switchgear
APTEL	Appellate Tribunal for Electricity
ARMC	Apex Risk Management Committee
AT&C	Aggregate Technical and Commercial
AVVNL	Ajmer Vidyut Vitran Nigam Limited
BBPS	Bharat Bill Payment Scheme
BCM	Business Continuity Management
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BMP	Biodiversity Management Plan
BRR	Business Responsibility Report
BSI	British Standards Institute
BSSR	PT Baramulti Suksessarana Tbk
BU	Billion Units
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CEC	Chief Ethics Counsellor
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CGPL	Coastal Gujarat Power Limited
CGU	Cash Generating Unit
CII	Confederation of Indian Industry
CIL	Coal India Limited
Ckm	Circuit Kilometer
CKP	Citra Kusuma Perdana
COO	Chief Operating Officer
CSA	Control Self Assessment
CSI	Community Satisfaction Index
CSR	Corporate Social Responsibility
CTTL	Chemical Terminal Trombay Limited
DBSA	Development Bank of South Africa
DD	Due Diligence
DDG	Decentralised Distributed Generation
DELP	Domestic Efficient Lighting Programme
DERC	Delhi Electricity Regulatory Commission
DF	Distribution Franchisee
DGA	Dissolved Gas Analysis
DHPC	Dagachhu Hydro Power Corporation Limited
DISCOM	Distribution Company
DSM	Demand Side Management
DVC	Damodar Valley Corporation
EA 2003	Electricity Act, 2003

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EESL	Energy Efficiency Services Limited
EHV	Extra High Voltage
EPC	Engineering Procurement Construction
EU	European Union
EV	Electric Vehicle
FFA	Field Force Automation
FGD	Focus Group Discussion
FM	Force Majeure
FMO	Netherlands Development Finance Company
FOB	Freight on Board
FRMC	Functional Risk Management Committee
FY	Financial Year
GCV	Gross Calorific Value
GEP	Global Economics Prospect
GIS	Gas Insulated Switchgear
GIS	Gas Insulated Switchgear
GoI	Government of India
GoM	Government in Maharashtra
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GW	Gigawatt
HC	High Court
HT	High Tension
HVDC	High Voltage Direct Current
IARM	Internal Audit and Risk Management
ICC	Internal Complaints Committee
ICT	Integrated Communicating Technology
IDC	Interest During Construction
IEL	Industrial Energy Limited
IFC	Internal Financial Controls
IIA	Institute of Internal Auditors
IJP	Internal Job Posting
IndAS	Indian Accounting Standards
INS	Inertial Navigation System
IoT	Internet of Things
IPP	Independent Power Producer
IRRJL	Indo Rama Renewables Jath Limited
ISTS	Inter-State Transmission System
ITPC	Itezhi Tezhi Power Corporation
JSERC	Jharkhand State Electricity Regulatory Commission
JV	Joint Venture
KMP	Key Managerial Personnel
KPC	PT Kaltim Prima Coal
KPO	Kalinganagar Project Office
KRA	Key Responsibility Area
KV	Kilo Volt
LED	Light Emitting Diode

LIBOR	London Interbank Offered Rate
LIC	Life Insurance Corporation of India
LNG	Liquid Natural Gas
LoRA	Low Range
LOROS	Long-Range Observation Systems
LTIFR	Lost Time Injuries Frequency Rate
M&A	Mergers and Acquisition
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs
MD	Managing Director
MD&A	Management Discussion and Analysis
MERC	Maharashtra Electricity Regulatory Commission
MGLI	Mahatma Gandhi Labour Institute
MNRE	Ministry of New & Renewable Energy
MoD	Ministry of Defence
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoP	Ministry of Power
MoU	Memorandum of Understanding
MPL	Maithon Power Limited
MT	Million Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi Year Tariff
NCD	Non Convertible Debenture
NCLT	National Company Law Tribunal
NCT	National Capital Territory
NPA	Non Performing Assets
NRC	Nomination and Remuneration Committee
O&M	Operations and Maintenance
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
OMS	Online Monitoring System
OPEX	Operating Expenditure
PAT	Profit After Tax
PBT	Profit Before Tax
PH6	Power House 6
PLF	Plant Load Factor
PMS	Performance Management System
PPA	Power Purchase Agreement
PPE	Personal Protective Equipment
PTL	Powerlinks Transmission Limited
PV	Photo Voltaic
QR Code	Quick Response Code
RBI	Reserve Bank of India
RCI	Risk Control Index
RCM	Reliability Centred Maintenance
RE	Renewable Energy
REC	Renewable Energy Certificates

REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
R-Infra	Reliance Infrastructure Limited
RMC	Risk Management Committee
RPO	Renewable Purchase Obligation
SAC	Sustainability Advisory Council
SADC	Southern African Development Community
SAIDI	System Average Interruption Duration Index
SCADA	Supervisory Control and Data Acquisition
SCoC	Safety Code of Conduct
SEBI	Securities and Exchange Board of India
SECI	Solar Energy Corporation of India
SED	Strategic Engineering Division
SHG	Self Help Group
SLP	Special Leave Petition
SLT	Senior Leadership Team
SMRD	Smart Revenue Recovery Device
SPV	Special Purpose Vehicle
STBFP	Steam Turbine Boiler Feed Pump
T&D	Transmission and Distribution
TBEM	Tata Business Excellence Model
TCOC	Tata Code of Conduct
TERPL	Trust Energy Resources Pte. Limited
TMF	Transmission Majoration Factor
TPADL	Tata Power Ajmer Distribution Limited
TPC-D	Tata Power Company - Distribution
TPCDT	Tata Power Community Development Trust
TPC-T	Tata Power Company - Generation
TPC-T	Tata Power Company - Transmission
TPDDL	Tata Power Delhi Distribution Limited
TPIPL	Tata Power International Pte. Limited
TPREL	Tata Power Renewable Energy Limited
TPSDI	Tata Power Skill Development Institute
TPSSL	Tata Power Solar Systems Limited
TPTCL	Tata Power Trading Company Limited
TSL	Tata Sons Limited
TTSL	Tata Teleservices Limited
TVW	Tata Volunteering Week
UAV	Unmanned Aerial vehicle
UCS	Uniform Compensation Structuring
UDAY	Ujwal Discom Assurance Yojna
UJALA	Unnat Jyoti by Affordable LEDs for All
UMPP	Ultra Mega Power Project
USTDA	United States Trade and Development Agency
UT	Union Territory
VDC	Village Development Committee
VFD	Variable Frequency Drive
WREL	Walwhan Renewable Energy Limited
XBRL	Extensive Business Reporting Language

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SHAREHOLDER INFORMATION

To,

TSR Darashaw Limited
Unit : **The Tata Power Company Limited**
6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio),
20, Dr. E. Moses Road, Mahalaxmi 400 011.

Updation of Shareholder Information for Physical holdings

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.	
Name of the sole/first shareholder	
PAN*	
CIN/Registration No.:* (applicable to corporate shareholders)	
Tel. No. with STD Code	
Mobile No.	
E-mail Id	

* Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 Digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c Type:*
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we shall not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place :

Date :

Encl.: Signature of sole/first holder

Notes :

1) Scanned copy of the above form, duly completed, along with the necessary documents, can also be sent to us on the following e-mail IDs: csg-unit@tsrdarashaw.com or investorcomplaints@tatapower.com.

2) For Members holding shares in electronic form, any change in the above details must be intimated directly to their Depository Participant only and not to the Company or its Registrars and Share Transfer Agents.

TATA
TATA POWER

The Tata Power Company Limited

Registered Office: Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Tel.: 022 6665 8282 **Fax:** 022 6665 8801 **E-mail:** tatapower@tatapower.com **Website:** www.tatapower.com

PROXY FORM

[Pursunt to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28920MH1919PLC000567

Name of the company : **The Tata Power Company Limited**

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Name of the member(s)..E-mail ID: ....

Registered address: ....

Folio No./Client ID: ....DP ID: ....

I/We, being the member(s) of...share of the above named company, hereby appoint

1. Name: ....E-mail ID: ....
   Address: ....
   ....Signature: ....or failling him
2. Name: ....E-mail ID: ....
   Address: ....
   ....Signature: ....or failling him
3. Name: ....E-mail ID: ....
   Address: ....
   ....Signature: ....or failling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 99th Annual General Meeting of the Company, to be held on the 27th day of July 2018 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Line, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Item	For	Against
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March 2018, together with the Reports of the Board of Directors and the Auditors thereon	☐	☐
2	Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018, together with the Report of the Auditors thereon	☐	☐
3	Declaration of dividend on Equity Shares for the financial year ended 31st March 2018	☐	☐
4	Appointment of Director in place of Mr. N. Chandrasekaran (DIN: 00121863), who retires by rotation and, being eligible, offers himself for re-appointment	☐	☐
5	Appointment of Mr. Hemant Bhargava as a Director	☐	☐
6	Appointment of Mr. Saurabh Agrawal as a Director	☐	☐
7	Appointment of Mr. Banmali Agrawala as a Director	☐	☐
8	Appointment of Mr. Praveer Sinha as a Director	☐	☐
9	Appointment of Mr. Praveer Sinha as CEO & Managing Director	☐	☐
10	Private placement of Non-Convertible Debentures/Bonds	☐	☐
11	Commission to Non-Executive Directors	☐	☐
12	Appointment of Branch Auditors	☐	☐
13	Ratification of Cost Auditor’s Remuneration	☐	☐

Signed this ....day of .... 2018.

Signature of shareholder ....

Signature of the Proxy holder(s) ....

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of the Proxy Form.

NOTES

NOTES

LEADERSHIP WITH TRUST
SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata

695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

The Paintings are done by Tata Power Club Enerji students on theme **"Future of Power"**.

TATA

TATA POWER

The Tata Power Company Limited
Bombay House 24 Homi Mody Street Mumbai 400 001
Call on TOLL FREE Investor Helpline for any shareholder information at 1800-209-8484
www.tatapower.com e-mail: tatapower@tatapower.com CIN: L28920MH1919PLC000567

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