TATA POWER

ANNUAL REPORT 2016-17

TATA

Renewing Growth through Renewables

Renewing Growth Through Renewables

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 leading the reform process for sustainable power. It is committed to safeguarding the environment for future generations.

In its quest to deliver sustainable energy, the Company has spread its footprint nationwide, setting new benchmarks for operational efficiencies, investing in global resources and redefining paradigms - thereby positioning itself not only as India's largest integrated power company, but also as India's largest green energy player. In the year gone by, the Company added 1,463 MW of renewable capacity, thereby surpassing the 2,000 MW operating capacity mark with another about 500 MW currently under construction.

The Company's non-fossil fuel based green generation portfolio (comprising hydro, waste gas, solar and wind) has crossed the 3,000 MW mark and now stands at 3,141 MW. This includes 693 MW of Hydro, 933 MW of Solar, 1,140 MW of Wind, and 375 MW of waste gas-based generation.

In the last financial year, the Company's wind generation capacity increased by 93%, from 591 MW to 1,140 MW and solar generation capacity soared up from 56 MW to 933 MW. Additionally, Tata Power's renewable arm - Tata Power Renewable Energy Limited (TPREL) completed the acquisition of Welspun Renewables Energy Private Limited (WREPL) which had 1,140 MW of renewable power assets. On the international front, Tata Power's South African Joint Venture Company, Cennergi Pty. Limited (Cennergi), started commercial operations of both its wind farms totalling 230 MW, making it a truly international power company.

Tata Power aims to set higher benchmarks in terms of development standards and in the implementation of cutting-edge eco-friendly technologies and processes of energy management - including Biomass Gasification, Concentrated Photovoltaic and Solar-powered Telecom Towers. The Company has also done a pilot to build the first floating concentrated solar PV plant in India.

Taking a step further towards building a greener portfolio, last year, the Company committed to revising its share of non-fossil fuel based capacity up to 30-40% by 2025.

As India's largest integrated power company with a significant international presence - and together with its subsidiaries and jointly controlled entities, today, the Company has a gross generation capacity of 10,463 MW. It has 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. It is serving more than 2.6 million distribution consumers in India - spanning **Mumbai, Delhi and Ajmer** - and takes pride in lighting up lives.

CEO & Managing Director's Message

Dear Shareholders,

It is with great pride that I write to you as the CEO & Managing Director of this historic organisation which has carved a leadership position for itself as the largest integrated power company over the past century. Despite the challenging environment in the power sector in recent years, it has continued to reinvent itself through its vast portfolio of Generation, Transmission, Distribution, Power Trading, Power Services, Coal Mines and Logistics, Solar Photovoltaic (PV) manufacturing and associated Engineering, Procurement, Construction (EPC) services businesses. It has expanded its international presence and continues to look for viable business opportunities in both, domestic and overseas growth markets to deliver value to shareholders.

At its very inception, Tata Power was driven by its Founder Shri Jamshetji Tata's vision - *"Clean, affordable & abundant power is one of the basic ingredients for the economic progress of a city, state or country"*. Tata Power remains true to this vision of partnering consumers' growth by supplying reliable power at competitive pricing. As India moves towards self-sufficiency in power, your Company is increasingly engaging on customer centricity by employing the best suited technologies to improve user experience.

The power sector is positioned at a juncture where multiple changes are envisaged. Digitalization, decarbonisation and decentralized model of energy linkage are poised to disrupt present paradigms of business. Your Company is continually evaluating opportunities for improvement on these fronts and integrating them within their operations, execution and growth processes as the pioneer in the industry.

There are some challenges to functioning in a highly regulated industry. One of the key issues being faced since Indonesia changed its coal export norms is that of CGPL compensatory tariff. We have approached all courts of appeal and are continuing to explore viable options to address the issues at hand including sourcing of suitably priced coal, holding continued discussions with the power procuring states and finding the right legal recourse.

Tata Power has a strong ethical, value based culture which is exercised not only in its business activities, but also in its interactions with its communities and through sustainability initiatives, making it a neighbour of choice. In addition, responsible employee practices have led to an engaged and productive work force which is dedicated to keeping your Company at the helm in the industry.

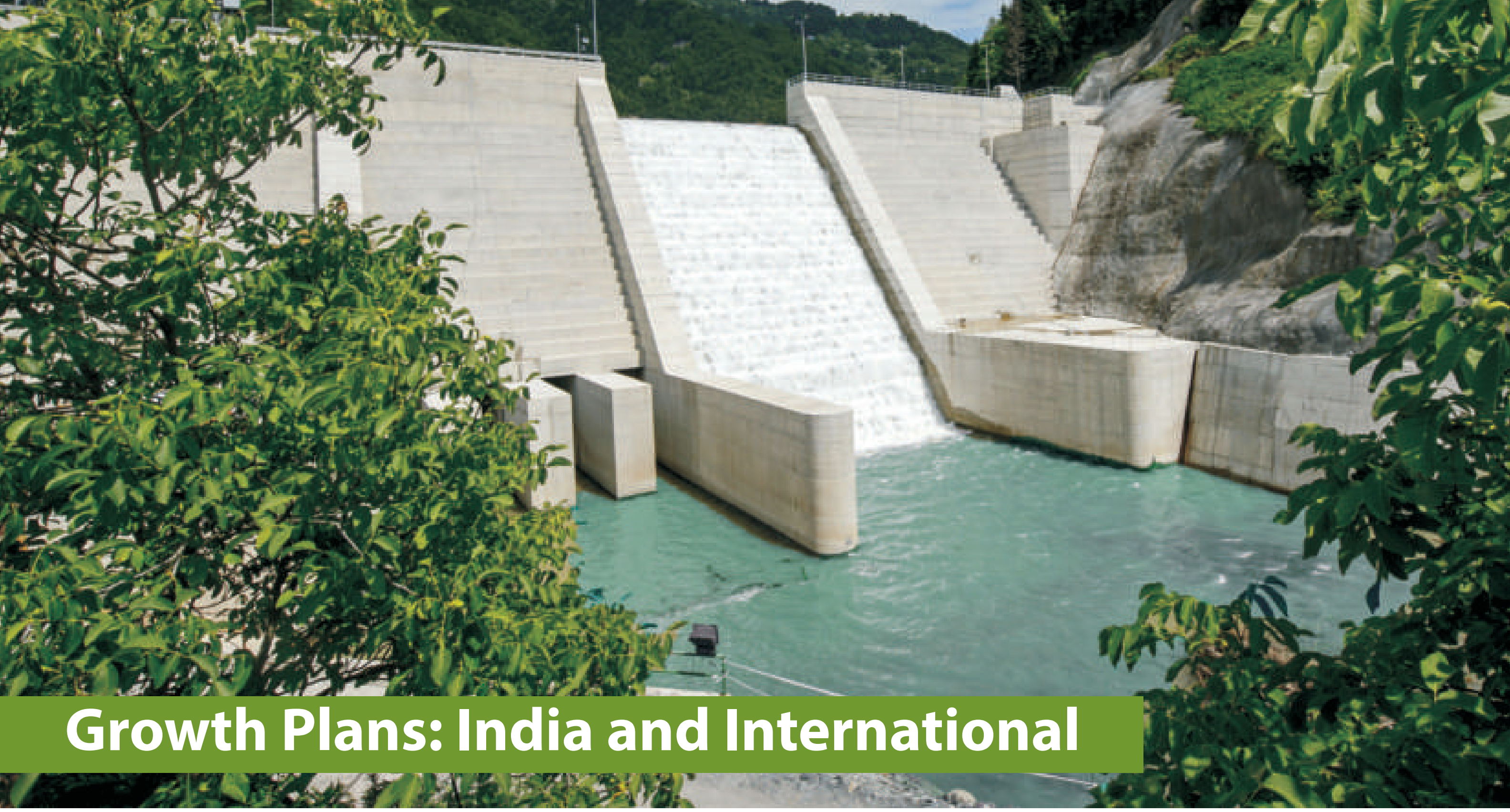
The entire team of Tata Power joins me in expressing our deep appreciation to the employees, the unions, the Board of Directors, all our partners and Governments at the Centre and the States; Regulators as also our international stakeholders, for their support, co-operation and understanding. I would also like to express our appreciation to you, our shareholders, for your support and understanding, both, in good times and in challenging times. It will be my continuing endeavour to fulfil Tata Power's commitment to light up lives.

Best Regards

Anil Sardana
CEO & Managing Director

Highlights of the Year

- Tata Power's consumer base crossed **2 million** mark which is the second highest across the country.
- Tata Power's generation crossed **52,000 MUs** for the first time in FY17.
- Clean Energy portfolio crossed **3,000 MW mark** and stood at 3,141 MW.
- Tata Power's arm TPREL completed the acquisition of WREPL which has **1,140 MW of Renewable Power projects.**
- Tata Power Delhi Distribution Limited achieved a benchmark reduction in **AT&C losses to 8.59%** as against 8.88% for the same period last year.
- **187 MW hydro in Georgia** is ready for commissioning.
- Tata Power's South African Joint Venture Company (JVC), Cennergi, started Commercial Operations of both the **wind farms totaling 230 MW.**
- Tata Power's wholly owned subsidiary **Tata Power International Pte. Limited and ICICI Venture Funds Management Company Limited - Resurgent Power Ventures Pte. Limited** created a platform company to facilitate investment in power projects in India.
- The Company won the bid for Distribution Franchisee of Ajmer Circle and formed a Special Purpose Company "**TP Ajmer Distribution Limited**". It has signed the Distribution Franchisee Agreement with Ajmer Vidyut Vitran Nigam Limited to cater to the power requirements of customers in Ajmer, for a period of 20 years.
- **62.5x2 MW** units for **Tata Steel Kalinganagar** by **Industrial Energy Limited** achieved full commercial operations.



Growth Plans: India and International

PROJECTS COMMISSIONED:

- **TPREL** commissioned projects of 159 MW which included 44 MW wind farm at Rojmal (Gujarat), 100 MW wind farm at Nimbagallu (Andhra Pradesh), 15 MW solar plant at Belampalli (Telangana) 864 MW solar capacity and 146 MW wind capacity was added by TPREL through the acquisition of **WREPL.** In addition, TPREL also acquired 30 MW wind capacity through the acquisition of Indo Rama Renewables Jath Ltd.

- At **Cennergi,** both the projects of combined 230 MW capacity have commenced commercial operation in Q2 FY 17.

- First and second units of 3 x 18 MW of **PT Citra Kusuma Perdana**, coal power project in Indonesia have been synchronised in October 2016 and March 2017.

PROJECTS UNDER EXECUTION:

- **TPREL** is executing solar projects to the tune of 326 MW in Tamil Nadu, Maharashtra, Karnataka, Andhra Pradesh and Gujarat, which were won through competitive bidding.

- **IEL** is currently in the process of executing the third unit of 67.5 MW capacity.

- Tata Power executed **DFA for electricity distribution** in Ajmer. The Special Purpose Company has already been formed and a dedicated team deployed to commence takeover activities. DFA has been signed with **Ajmer Vidyut Vitran Nigam Limited** on 21st April 2017.

- The construction work for **187 MW Adjaristsqali Georgia LLC Project** is in full swing. Commercial operation is expected by Q2 of FY 18.

- The third unit of the **3x18MW PT Citra Kusuma Perdana** configuration is under construction at Sangatta, East Kalimantan province in Indonesia.

POTENTIAL FUTURE GROWTH AREAS:

- For **1,600 MW Coastal Maharashtra project, Dehrand**, the Company has successfully completed acquisition and possession of private land. All statutory approvals required to start the project are in place. Clearance by Government of Maharashtra for transfer of Government land to Maharashtra Industrial Development Corporation for Tata Power is in final stages.

- Tata Power's primary investment vehicle for clean and renewable energy based power generation - TPREL's present operating capacity is 1,457 MW comprising 530 MW wind and 927 MW solar located in the states of Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, Punjab, Bihar, Tamil Nadu and Rajasthan. The Company is also in the process of implementing nearly 326 MW of renewable power projects at various locations on greenfield basis.

Leadership with Care

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.

CARE FOR ENVIRONMENT:

During the year, Tata Power addressed various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, biodiversity and green buildings. Key initiatives are:

- The Company completed project for identification of Polychlorinated Biphenyls and also completed natural capital valuation for hydro stations.
- The Company was awarded **CII-ITC Sustainability Awards 2016** - Commendation for Significant Achievement in Biodiversity.
- Tata Power's Corporate Centre, Carnac office was awarded IGBC Gold rating under 'Green Existing buildings' category.
- **Tata Power Club Enerji,** spearheaded by school children, has reached 533 schools across India, sensitized more than 15.84 million citizens and saved more than 21 MUs till date. This saving is equivalent to saving of more than 20,000 tons of CO_2. 1526 Mini Clubs have been formed all over India under the Club Enerji initiative.
- **'Act for Mahseer'**, a call-to-action pledge campaign designed to give Mahseer, an endangered fish species, a fresh chance at survival, has been successfully positioned as India's second largest

conservation initiative after 'Save the Tiger' campaign. This year, the movement crossed over 2 million online impressions and successfully garnered over 4000 pledges.

CARE FOR CUSTOMERS:

- Launched in May 2015, Tata Power's **Be Green** initiative follows the mantra that green is the only way to evolve and has set new benchmarks by caring for the planet and its future. Tata Power aims to utilise customer touch points such as social media, emailers, CRCs, bills etc., to promote and create awareness, thus creating a collaborative and participative environment. On average, over 40,000 people are reached each month through messaging under 'Be Green', across touch points.
- Tata Power Delhi Distribution Limited (Tata Power-DDL) has installed Electric Vehicle Charging Centers at five locations spread across its area of distribution. These charging centers will provide access to free of cost charging to owners of Mahindra Reva Electric Cars.

CARE FOR COMMUNITY:

- Tata Power has actively worked on the key focus areas in Corporate Social Responsibility of education, health, livelihood and employability, social capital and financial inclusivity, as well as rural energy.
- Under its Affirmative Action program, the Company has implemented several initiatives for Employment, Entrepreneurship, Employability, Education and Essential Amenities for the communities around its operating sites.

Leadership with Care

- The major programs carried out in the neighbourhood of the operating plants and projects are Skill Development Programs for youth (Industrial Training Institutes, Business Process Outsourcing training and vocational trainings), entrepreneurial programs like fly ash brick making/supporting Self Help Groups and support for educational initiatives for school children like scholarships and coaching classes in the evenings along with assistance in the development of adequate infrastructure.
- As part of **disaster relief operations**, the Company contributed towards relief efforts in Assam. Besides this, 5 employees were selected to be trained as project managers to be deployed as part of Tata Group relief efforts.
- **Tata Power Skill Development Institute (TPSDI)** has successfully trained over 11,000 people since its inception.

CARE FOR OUR PEOPLE:

- **Safety** is a core value and hence, the first priority. Safety and 5S programs of the Company have been given a lot of thrust during the year. Training and awareness programs and safety drills were carried out across various locations of the organisation.
- **Greenolution** was launched by Tata Power in 2012 to promote green living through identified initiatives driven by employees. Over 900 employees have registered as Green Heroes since the inception of the programme, with over 250 green initiatives having been undertaken by them.

Financial highlights

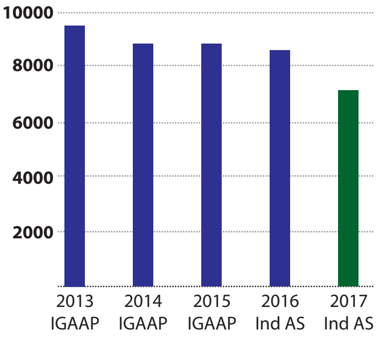
CONSOLIDATED:

- On a consolidated basis, Tata Power Group's FY17 Revenue* stood at ₹ 27,288 crore as compared to ₹ 28,526 crore last year, mainly due to lower fuel and power cost and one off items.
- PAT was up at ₹ 1,397 crore (before exceptional item of ₹ 651 crore) as compared to ₹ 662 crore in FY16, mainly due to higher contributions by the coal mines in H2FY17, renewables business and associates and MTM gain on forex and IRS contracts in Coastal Gujarat Power Limited (CGPL).
- Renewables business crossed ₹ 1,135 crore of EBITDA and 2,000 MW capacity mark. During the year, the Company added 1,350 MW of renewable capacity largely through the Welspun acquisition.

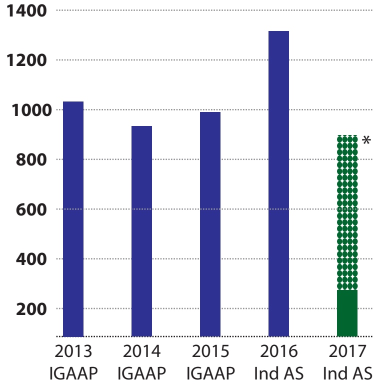
STANDALONE:

- For the Financial Year ended 31st March 2017, Revenue* stood at ₹ 7,282 crore as compared to ₹ 8,316 crore last year, mainly due to lower power purchase and fuel cost.
- PAT stood at ₹ 935 crore (before exceptional item impact of ₹ 651 crore) as against ₹ 1,355 crore in the last year mainly due to favourable regulatory orders in previous year and higher carrying cost along with higher finance cost in current year. However, operating profits continue to be strong.

Standalone Revenue from Operations (in ₹ crore)

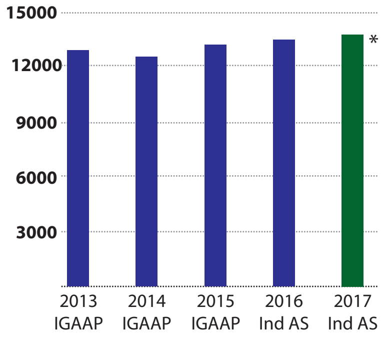


Standalone Profit after Tax (in ₹ crore)



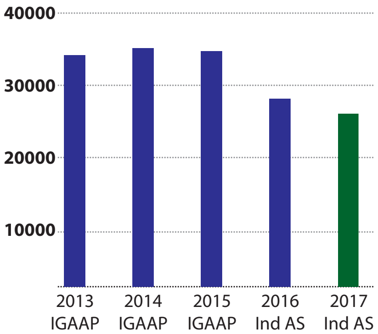
*** Before loss towards contractual obligation to purchase TTSL shares from NTT DoCoMo**

Consolidated Networth (in ₹ crore)*

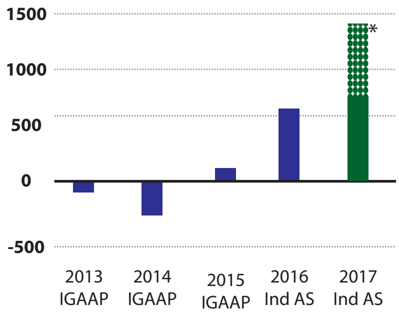


*** Includes Unsecured Perpetual Securities (₹ 1,500 crore)**

Consolidated Revenue from Operations (in ₹ crore)

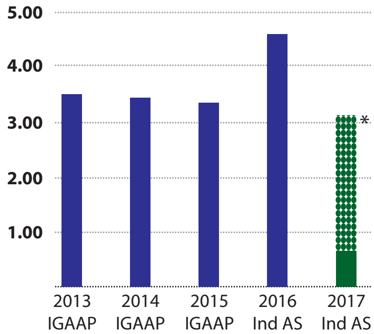


Consolidated Profit after Tax (in ₹ crore)



*** Before loss towards contractual obligation to purchase TTSL shares from NTT DoCoMo**

Standalone Earning Per Share (in ₹ crore)



*** Before loss towards contractual obligation to purchase TTSL shares from NTT DoCoMo**

Awards & Recognition

- Tata Power's Corporate Centre, Carnac building awarded "**IGBC GOLD**" rating, under "IGBC's Green Existing Buildings" category.
- Tata Power's Quality Circle teams win '**Gold' award** at International Convention on Quality Control Circles 2016.
- CII awards Maithon Power Plant for its **excellence in Operation Management and People Management**.
- Tata Power honoured with **SAP ACE Award** 2016.
- Tata Power's Maithon Power Plant awarded with **Global Energy Management Award** 2017.
- Tata Power's TPSDI conferred with an award for '**Capacity Building and Training' at the Central Board of Irrigation & Power (CBIP) Awards** 2017.
- Club Enerji & Greenolution were presented at **IIM – Ahmedabad in February 2017 in a TEDx IIM - Ahmedabad** event held on the topic: "Driving Conservation by shaping the future generations" under the theme 'Renaissance 2.0: Inspiring a better tomorrow'.

CORPORATE INFORMATION (as on 19.05.2017)

CORPORATE IDENTITY NUMBER: L28920MH1919PLC000567

BOARD OF DIRECTORS

Non-Independent, Non-Executive	Mr. N. Chandrasekaran (Chairman)
	Mr. S. Padmanabhan
	Mr. Pravin H. Kutumbe (LIC Nominee)
	Ms. Sandhya S. Kudtarkar
Independent, Non-Executive	Mr. Nawshir H. Mirza
	Mr. Deepak M. Satwalekar
	Ms. Anjali Bansal
	Ms. Vibha Padalkar
	Mr. Sanjay V. Bhandarkar
	Mr. K. M. Chandrasekhar
CEO & Managing Director	Mr. Anil Sardana
COO & Executive Director	Mr. Ashok S. Sethi

CHIEF FINANCIAL OFFICER	Mr. Ramesh N. Subramanyam	
COMPANY SECRETARY	Mr. Hanoz M. Mistry	
STATUTORY AUDITORS	Deloitte Haskins & Sells LLP	
SOLICITORS	Mulla & Mulla & Craigie Blunt & Caroe Cyril Amarchand Mangaldas	
BANKERS	Axis Bank Limited	Bank of America
	Citibank N. A.	Credit Agricole S. A.
	DBS Bank Limited	HDFC Bank Limited
	ICICI Bank Limited	IDBI Bank Limited
	IDFC Bank Limited	IndusInd Bank Limited
	Kotak Mahindra Bank Limited	State Bank of India
	Standard Chartered Bank Limited	

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

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
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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SAVE THE EARTH

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Please register your consent for this purpose on **investorcomplaints@tatapower.com**

This Annual Report can be viewed under the 'Investor Relations' section on the Company's website **www.tatapower.com**

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.

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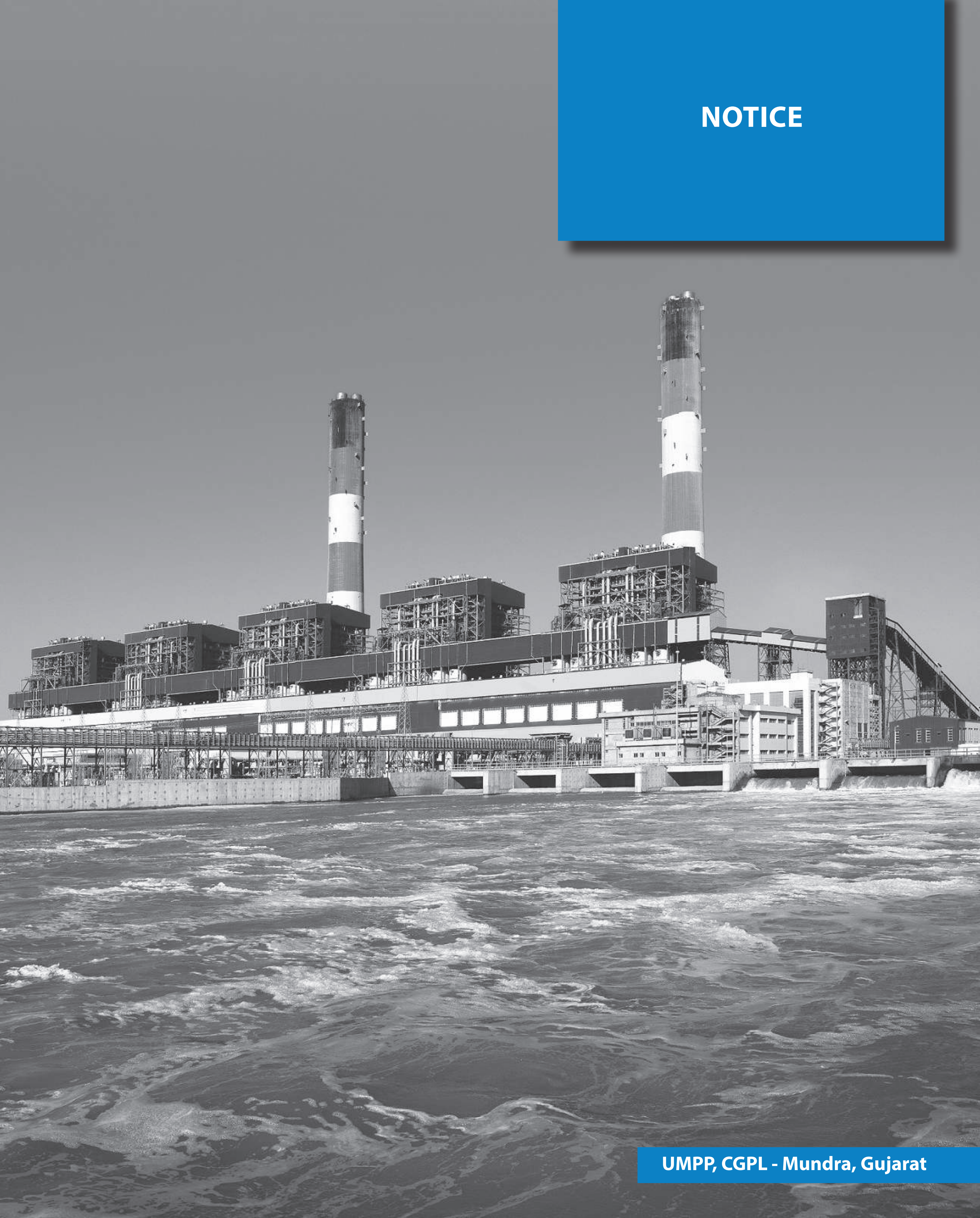
Annual General Meeting

Date	:	Wednesday, 23rd August 2017
Time	:	3:00 p.m.
Venue	:	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.

NOTICE



UMPP, CGPL - Mundra, Gujarat

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETY-EIGHTH ANNUAL GENERAL MEETING OF THE TATA POWER COMPANY LIMITED will be held on Wednesday, the 23rd day of August 2017 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 2017 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 2017 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31st March 2017.
4. To appoint a Director in place of Ms. Sandhya S. Kudtarkar (DIN: 00021947), who retires by rotation and, being eligible, offers herself for re-appointment.
5. **Appointment of Auditors**

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

   "RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (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, S R B C & CO. LLP (SRBC), Chartered Accountants (ICAI Firm Registration No.324982E/E300003), be and are hereby appointed as Statutory Auditors of the Company in place of Deloitte Haskins and Sells LLP, the retiring auditors of the Company, to hold office for a period of 5 years from the conclusion of this, the 98th Annual General Meeting (AGM) of the Company till the conclusion of the 103rd AGM of the Company to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act) to examine and audit the accounts of the Company at Mumbai and the divisions, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

Special Business:

6. **Appointment of Mr. N. Chandrasekaran as a Director**

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

   "RESOLVED that Mr. N. Chandrasekaran (DIN: 00121863), who was appointed as an Additional Director of the Company with effect from 11th February 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 a Director of the Company, liable to retire by rotation."

7. **Appointment of Mr. S. Padmanabhan as a Director**

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

   "RESOLVED that Mr. S. Padmanabhan (DIN: 00306299), who was appointed as an Additional Director of the Company with effect from 16th December 2016 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, liable to retire by rotation."

8. **Appointment of Ms. Anjali Bansal as a Director and as an Independent Director**

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

   "RESOLVED that Ms. Anjali Bansal (DIN: 00207746), who was appointed as an Additional Director of the Company with effect from 14th October 2016 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 her candidature for the office of Director, be and is hereby appointed a Director of the Company.

   RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of

Ms. Anjali Bansal (DIN: 00207746), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 14th October 2016 upto 13th October 2021, be and is hereby approved."

9. **Appointment of Ms. Vibha Padalkar as a Director and as an Independent Director**

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

"RESOLVED that Ms. Vibha Padalkar (DIN: 01682810), who was appointed as an Additional Director of the Company with effect from 14th October 2016 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 her candidature for the office of Director, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Ms. Vibha Padalkar (DIN: 01682810), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 14th October 2016 upto 13th October 2021, be and is hereby approved."

10. **Appointment of Mr. Sanjay V. Bhandarkar as a Director and as an Independent Director**

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

"RESOLVED that Mr. Sanjay V. Bhandarkar (DIN: 01260274), who was appointed as an Additional Director of the Company with effect from 14th October 2016 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.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Sanjay V. Bhandarkar (DIN: 01260274), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 14th October 2016 upto 13th October 2021, be and is hereby approved."

11. **Appointment of Mr. K. M. Chandrasekhar as a Director and as an Independent Director**

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

"RESOLVED that Mr. K. M. Chandrasekhar (DIN: 06466854), who was appointed as an Additional Director of the Company with effect from 4th May 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 a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. K. M. Chandrasekhar (DIN: 06466854), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 4th May 2017 upto 3rd May 2022, be and is hereby approved."

12. **Re-appointment of Mr. Ashok S. Sethi as COO and Executive 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 re-appointment and terms of remuneration of Mr. Ashok S. Sethi (DIN: 01741911) as the COO and Executive Director of the Company for the period commencing from 1st April

2017 to 30th April 2019, 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 re-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. Sethi.

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."

13. **Revision in terms of remuneration of Mr. Anil Sardana, CEO and Managing Director**

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

"RESOLVED that in partial modification of Resolution No.8 passed at the Annual General Meeting of the Company held on 21st September 2016 for the appointment and terms of remuneration of Mr. Anil Sardana (DIN: 00006867), CEO and Managing Director of the Company and pursuant to the provisions of Sections 196, 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) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Anil Sardana, CEO and Managing Director of the Company, by way of increase in the maximum amount of basic salary payable to Mr. Anil Sardana (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 authority 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) to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April 2018 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

14. **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/ bonds (NCDs) on private placement basis, in one or more series / tranches during a period of one year from the date of passing this Resolution, upto an amount not exceeding ₹ 7,000 crore 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 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."

15. **Increase in the Authorised Share Capital of the Company**

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

"RESOLVED that pursuant to the provisions of Section 61 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 (Share Capital and Debentures) Rules, 2014, as amended from time to time, the Authorised Share Capital of the Company be and is hereby increased from ₹ 529 crore divided into 300,00,00,000 Equity Shares of ₹ 1 each and 2,29,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each to ₹ 579 crore divided into 350,00,00,000 Equity Shares of ₹ 1 each and 2,29,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each by creation of 50,00,00,000 Equity Shares of face value of ₹ 1 each."

16. **Alteration of the Memorandum of Association of the Compnay**

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

"RESOLVED that pursuant the provisions of Section 13 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), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clauses V and VI with the following:

'V. The Capital of the Company is ₹ 579 crore (Rupees Five hundred seventy-nine crore only) capable of being increased in accordance with the Company's regulations and the legislative provisions for the time being in force.

VI. The said capital is divided into 2,29,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each and 350,00,00,000 Equity Shares of ₹ 1 each.'"

17. **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."

18. **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 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 2017-18."

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 18 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos.4 and 6 to 12 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, 12th August 2017 to Wednesday, 23rd August 2017, 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 24th August 2017, 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 11th August 2017;

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 11th August 2017.

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 hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund (the Fund) established by the Central Government.

   Further, pursuant to the provisions of the Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPF Rules), all the shares on which dividends remain unpaid/ unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs (MCA). Hence, the Company urges all the members to encash / claim their respective dividends during the prescribed period.

   In accordance with the aforesaid provision of the Act read with the IEPF Rules, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the Members for 7 (seven) consecutive years or more. The details of such dividends / shares to be transferred to IEPF are uploaded on the website of the Company at www.tatapower.com under the 'Investor Relations' section.

   Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 2010 onwards, are requested to make their claims to the Company accordingly, without any delay.

   Members / claimants whose shares, unclaimed dividend etc. have been transferred to the demat account of the IEPF Authority, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

   On 5th September 2016, MCA, notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). In accordance with the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the previous AGM i.e. 21st September 2016, on the website of the IEPF viz. www.iepf.gov.in and on the Company's website viz. www.tatapower.com under the section 'Investor Relations'.

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 alongwith the Annual Report 2016-17 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 venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL). Instructions for e-voting are given hereinbelow. 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. The remote e-voting period commences on Sunday, 20th August 2017 (9:00 a.m. IST) and ends on Tuesday, 22nd August 2017 (5:00 p.m. IST). Members of the Company, holding shares either in physical form or in eletronic form, as on the cut-off date of 16th August 2017, may cast their vote by remote e-voting. 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 process and manner for remote e-voting are as under:

A. In case a member receives an e-mail from NSDL (for members whose e-mail IDs are registered with the Company/DP) :

(i) Open e-mail and open PDF file viz.: 'Tata Power e-voting.pdf' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder – Login

(iv) Select 'EVEN' of 'The Tata Power Company Limited', which is 106422.

(v) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.

NOTE:

- In case you have forgotten your User Details/Password, you can use 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com.
- In case you are holding shares in demat mode, user ID is the combination of DP ID + Client ID.
- In case you are holding shares in physical mode, user ID is the combination of EVEN No. + Folio No.
- After successful login, you can change the password with new password of your choice.

(vi) If you login for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

(vii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.

(xii) On the voting page, you may cast your vote by selecting an appropriate option 'For' or 'Against' and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message 'Vote Cast Successfully' will be displayed.

(xiii) You can similarly vote in respect of all other Resolutions forming part of the Notice of the AGM. During the voting period, members can login any number of times till they have voted on all the Resolutions.

(xiv) If you wish to log out after voting on a few Resolutions and continue voting for the balance Resolutions later, you may click on 'RESET' for those Resolutions for which you have not cast the vote.

(xv) 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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in

B. In case a member receives physical copy of the Notice of AGM (for members whose e-mail IDs are not registered with the Company/DP or requesting physical copy) :

(i) Initial password is provided in the Attendance Slip (separate insert):

EVEN (106422), USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No.(ii) to Sl. No.(xv) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the 'downloads section' of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990.

VII. 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).

VIII. 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 16th August 2017.

IX. 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. 16th August 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/TSRD.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990.

X. 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.

XI. Mr. P. N. Parikh (FCS 327) or failing him, Mr. Mitesh Dhabliwala (FCS 8331) of M/s. Parikh and Associates, Company Secretaries have been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process, in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'e-voting' for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. 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.

XIV. 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.

XV. In case of grievances connected with facility for voting by electronic means, members are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or on 022 2499 4360 / 1800-222-990. Members may also write to him at NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

13. **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 its Registrars and Share Transfer Agents 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 its Registrar and Share Transfer Agents.

14. **Members feedback:**

The Company continuously endeavours to provide an informative and qualitative Annual Report to its Members. The Company also strives to provide qualitative services to its investors. In furtherance of this objective, we request you to provide us feedback on your experience as an investor of the Company by accessing the following link: https://www.tatapower.com/investor-feedback-2017.aspx

Members are request to please give their feedback latest by 30th September 2017. Your feedback will help us improve future Annual Reports and also re-validate our service levels and improve the same.

By Order of the Board of Directors,

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

Mumbai, 19th May 2017

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 18 of the accompanying Notice dated 19th May 2017:

Item No.5: This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Section 139(2) of the Act read with the Companies (Audit and Auditors) Rules, 2014, has mandated all listed companies and certain categories of unlisted public companies and private companies to mandatorily rotate their auditors (whether such auditor is an individual or a firm) once their auditor has served office as an auditor for a period of 10 or more consecutive years (Rotation Period). In this regard, the third proviso to Section 139(2) of the Act has provided a moratorium period, wherein companies incorporated prior to 1st April 2014, have been provided a time period of 3 years from such date to comply with the requirement to rotate their auditors. Therefore, beginning 1st April 2017, all companies who are required to rotate their auditors under the Act, will have to rotate their existing auditors (Current Firm), if the Current Firm has held office as such company's auditor for a period of 10 years or more.

Deloitte Haskins and Sells LLP (DHS) are the Statutory Auditors of the Company and most of its subsidiary companies and are due for rotation at this Annual General Meeting (AGM) of the Company, as they have been the Company's statutory auditors for more than 10 years.

After a rigorous process with respect to selection of statutory auditors of the Company, which included several rounds of discussion with various firms, their partners and personnel, S R B C & CO. LLP (SRBC), Chartered Accountants (ICAI Firm Registration No. 324982E/E300003), was identified to be the next Statutory Auditor of the Company and other companies of the Tata Power group. The selection is based on various factors like People, Audit Methodology, Quality Control, Reputation of the Firm and Knowledge. SRBC is a firm of Chartered Accountants registered with The Institute of Chartered Accountants of India. SRBC was established in the year 2002 and is a limited liability partnership firm incorporated in India. It has its registered office in Kolkata and 11 branch offices in various cities in India. SRBC has valid Peer Review certificate and is part of S. R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

SRBC have been involved in the statutory audits and also internal audits of various companies in the power sector in the entire value chain and, hence, has the necessary experience to conduct the statutory audit of the Company. The term of appointment is for 5 years, subject to ratification by members at each succeeding AGM, if so required under the Act.

SRBC have consented to the said appointment and confirmed that their appointment, if made, would be in accordance with Section 139 read with Section141 of the Act.

Accordingly, approval of the members is being sought for the proposal contained in the Resolution set out at Item No. 5 of the accompanying Notice.

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

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.

Item No.6: Mr. N. Chandrasekaran was appointed as an Additional Director of the Company with effect from 11th February 2017, by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Chandrasekaran holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice along with the requisite deposit under Section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Chandrasekaran's appointment as a Director.

Mr. Chandrasekaran was also nominated as Chairman of the Board of Directors of the Company with effect from 11th February 2017, by Tata Sons Limited (Tata Sons) pursuant to Article 164(b) of the Company's Articles of Association, wherein Tata Sons has the right to nominate the Chairman of the Board of Directors of the Company.

Mr. Chandrasekaran is the Executive Chairman of Tata Sons. He was appointed as a director on Tata Sons' 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 after completing his master's in computer applications from Regional Engineering College, Trichy, Tamil Nadu, India. Under his leadership, TCS has become the largest private sector employer in India with the highest retention rate in a globally competitive industry. TCS remains the most valuable company in India and ended 2015-16 with a market capitalisation of over USD 70 Bn. 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.

A technopreneur known for his ability to make big bets on new technology, Mr. Chandrasekaran had been driving TCS' strong positioning in the emerging digital economy with a suite of innovative digital products and platforms for enterprises, some of which have since scaled into sizeable new businesses.

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. Chandrasekaran has received several awards and recognition in the business community. Recently, he was honoured with the 'Business Leader Award' at the ET Awards for Corporate Excellence 2016. He was also awarded Qimpro Platinum Standard Award 2015 (business) and Business Today's Best CEO 2015 (IT and ITEs). He was voted the 'Best CEO' for the fifth consecutive year by the Institutional Investor's 2015 Annual All-Asia Executive Team rankings. During 2014, he was voted as one of CNBC TV 18 Indian Business Icons. He was awarded CNN-IBN Indian of the Year 2014 in the business category. He was also presented with the 'Best CEO for 2014' award by Business Today for the second consecutive year. He has also received the Medal of the City of Amsterdam - Frans Banninck Coqc - in recognition of his endeavour to promote trade and economic relations between Amsterdam and India.

Mr. Chandrasekaran was conferred with an honorary doctorate by JNTU, Hyderabad, India (2014). He has received an honorary doctorate from Nyenrode Business Universiteit, Netherland's top private business school (2013). He has also been conferred honorary degrees by many Indian universities such as the Gitam University, Visakhapatnam, Andhra Pradesh (2013); KIIT University, Bhubaneswar, Odisha (2012); and the SRM University, Chennai, Tamil Nadu (2010).

Mr. Chandrasekaran is also the Chairman of Tata Consultancy Services Limited, Tata Steel Limited, Tata Motors Limited, The Indian Hotels Company Limited, Jaguar Land Rover Automotive PLC and TCS Foundation. He is also a Director on the Board of the Reserve Bank of India.

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

Other than Mr. Chandrasekaran, 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. Chandrasekaran is not related to any other Director or KMP of the Company.

Item No.7: Mr. S. Padmanabhan was appointed as an Additional Director of the Company with effect from 16th December 2016 by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Padmanabhan holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice along with the requisite deposit under Section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Padmanabhan's appointment as a Director.

Mr. Padmanabhan was nominated as Chairman of the Board of Directors of the Company with effect from 3rd January 2017, by Tata Sons pursuant to Article 164(b) of the Company's Articles of Association, wherein Tata Sons has the right to nominate the Chairman of the Board of Directors of the Company. He held office as Chairman till 10th February 2017 and, thereafter, continues as a Non-Executive Director on the Company's Board.

Mr. Padmanabhan is currently the Head of Group Human Resources for Tata Sons and Executive Chairman, Tata Business Excellence Group (TBExG). In his role as Head of Group Human Resources, he is responsible for enabling key HR policies and initiatives across the Tata Group globally. As Executive Chairman of TBExG, Mr. Padmanabhan is responsible for enabling the Business Excellence journey across the Tata group of companies globally. This role, which he took on in 2014, is integral to Group initiatives in enhancing the performance of Tata companies through diagnostics, benchmarking and sharing best practices.

His career with the Tata Group companies began with TCS in 1982 and spans over 34 years. During his 26 year stint in TCS, he has held roles such as Executive Director of Human Resources, Head of Application Development and Maintenance, Head of Airlines Practice and Country Manager, TCS Switzerland. He was also the CEO of Aviation Software Development Consultancy, a Joint Venture between TCS and Singapore Airlines. As the Executive Director of HR at TCS, Mr. Padmanabhan was responsible for managing over 1,00,000 employees worldwide. During his tenure, TCS achieved the highest retention rates. He also set up scalable and sustainable processes to make TCS a learning-focused organisation, capable of seamlessly integrating thousands of new employees each year. During his tenure, he significantly strengthened the industry-academia relation with various Indian and international institutes. Mr. Padmanabhan also played a pivotal role in overseeing the USD 1 Bn. TCS IPO – the largest in the country till then. He engaged with multiple stakeholders and financial institutions across the globe to make this IPO one of the most successful ones in the Indian corporate history.

Mr. Padmanabhan was also the Executive Director - Operations of Tata Power from 6th February 2008 to 30th June 2014, and was responsible for the profitable and sustainable operations of all thermal and hydro generation plants across India and transmission and distribution systems in Mumbai. He was also on the Boards of the operating subsidiaries of the Company.

Mr. Padmanabhan has a distinguished academic record in the technical and management domain from reputed institutions. He is a Glaxo Marketing Scholar Medallist, a Distinguished Alumnus from IIM Bangalore, and a Gold Medallist and a Distinguished Alumnus from PSG College of Technology, Coimbatore. He has completed the Advanced Management Program at the Harvard Business School. He is also a life member of CSI, Senior Member of IEEE.

Mr. Padmanabhan is a Director on the Board of Infiniti Retail Limited, Tata Consulting Engineers Limited, Tata Chemicals Limited and The Associated Building Company Limited.

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

Other than Mr. Padmanabhan, 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. Padmanabhan is not related to any other Director or KMP of the Company.

Item Nos. 8 to 11: Mr. Piyush G. Mankad, Mr. Ashok K. Basu and Dr. Homiar S. Vachha all Independent Directors of the Company, retired as Directors of the Company effective 18th November 2016, 24th March 2017 and 23rd April 2017, respectively, consequent upon their completing 75 years of age, as required by the guidelines adopted by the Company for retirement of Non-Executive Directors.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC), appointed Ms. Anjali Bansal, Ms. Vibha Padalkar and Mr. Sanjay V. Bhandarkar on 14th October 2016 and Mr. K. M. Chandrasekhar on 4th May 2017, as Additional Directors of the Company under Section 161 of the Act and Article 132 of the Company's Articles of Association and also as Independent Directors, not being liable to retire by rotation. Ms. Bansal, Ms. Padalkar and Mr. Bhandarkar were appointed for a period of 5 years commencing from 14th October 2016 upto 13th October 2021. Mr. Chandrasekhar was appointed for a period of 5 years commencing from 4th May 2017 upto 3rd May 2022

In terms of Section 161(1) of the Act, Ms. Bansal, Ms. Padalkar, Mr. Bhandarkar and Mr. Chandrasekhar hold office only upto the date of the forthcoming AGM of the Company but are eligible for appointment as Directors. A Notice along with the requisite deposit under Section 160(1) of the Act has been received from a member signifying his intention to propose Ms. Bansal, Ms. Padalkar, Mr. Bhandarkar and Mr. Chandrasekhar's appointment as Directors.

The above mentioned Directors have given declarations to the Board that they meet the criteria for independence as provided under Section 149(6) of the Act. These Directors also meet the criteria for independence as provided under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A brief profile of the Directors to be appointed is given below:

Ms. Anjali Bansal is the former Global Partner and Managing Director with TPG Private Equity and a strategy consultant with McKinsey and Company in New York and Mumbai. She founded and ran Spencer Stuart's India practice successfully growing it to a highly reputed pan-India platform. She was also a global partner and co-led their Asia Pacific Board and CEO practice as part of the Asia Pacific leadership team. She started her career as an engineer.

She serves as an Independent Non-Executive Director on the public boards of GlaxoSmithKline Pharmaceuticals Limited, Bata India Limited and Voltas Limited. She is on the Advisory Board of the Columbia University Global Centers, South Asia.

She is an enthusiastic participant in the entrepreneurial ecosystem, is charter member of TiE, angel investor and mentor to young entrepreneurs and companies including the SAHA Fund, Female Founders Fund and others.

Ms. Bansal is deeply committed to social enterprise and is an advisor to SEWA. Previously, she chaired the India board of Women's World Banking, a leading global livelihood-promoting institution and was an advisor to Grameen Foundation.

An active contributor to the dialogue corporate governance and diversity, she co-founded and chaired the FICCI Center for Corporate Governance program for Women on Corporate Boards. She serves on the managing committee of the Bombay Chamber of Commerce and Industry and is part of the CII Directors Guild. She is a member of the Young Presidents' Organization.

She has been listed as one of the 'Most Powerful Women in Indian Business' by India's leading publication, Business Today, and as one of the 'Most Powerful Women in Business' by Fortune India.

She has a Bachelor's degree in Computer Engineering from Gujarat University and a Masters in International Finance and Business from Columbia University.

Ms. Vibha Padalkar is Executive Director and Chief Financial Officer at HDFC Standard Life Insurance Company Limited (HDFC Life). Post joining the company in August 2008, she has been leading the Finance, Internal Audit, Compliance, Risk Management, Legal and Secretarial teams, and also has oversight of the Pension subsidiary company.

Prior to joining HDFC Life, Ms. Padalkar has had diverse experience in varied sectors, ranging from Outsourcing (WNS Global Services) to FMCG (Colgate Palmolive).

Ms. Padalkar became a member of The Institute of Chartered Accountants in England and Wales in 1992. She is also a member of the Institute of Chartered Accountants of India.

Mr. Sanjay V. Bhandarkar is the former Managing Director of Rothschild's Investment Banking operations in India and continues to be a part time Senior Advisor to Rothschild.

During his career with Rothschild, he advised on a variety of corporate finance transactions across M&A, Capital Markets and Debt Restructuring.

A few notable deals include; advised Vodafone on their IPO preparations and on bidding in the 2G Spectrum auctions; advised Aircel on the sale of its towers business to GTL; advised Suzlon on its debt restructuring discussions with international lenders; advised the GVK-South African consortium on its bid for Mumbai airport privatisation; advised Cairn Plc on the sale of its interest in Cairn India; advised Cairn Plc on the IPO of Cairn India.

Mr. Bhandarkar has a degree in Management from XLRI, Jamshedpur. Prior to Rothschild, he has also worked with Peregrine Capital and ICICI Securities and Finance Company Limited. He has over two decades of experience in Investment banking.

Mr. K. M. Chandrasekhar entered the Indian Administrative Service in 1970. He was ranked third in the list in the batch. Prior to that, he secured B.A. (Honours) in Economics and M.A. in History from St. Stephen's College, University of Delhi. After entering Government service, he did his M.A. in Management Studies from the University of Leeds in United Kingdom.

He spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation; District Collector, Idukki; Director of Fisheries; Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India.

In 1996, he left Kerala on Central Government deputation. During his 15 years tenure with the Government of India, from 1996 to 2011, he was Joint Secretary in the key Trade Policy Division of the Ministry of Commerce, Deputy Chief of Mission in the Embassy of India, Brussels and the Ambassador and Permanent Representative of India in the World Trade Organization in Geneva. He rose to the position of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister. He retained that position for four years. He retired from Government service in 2011 at the age of 63, having served the Government for 41 years.

Post retirement, he was, for 5 years, Vice-Chairman, Kerala State Planning Board with rank of Cabinet Minister of the State.

Mr. Chandrasekhar has considerable management experience having been associated as Chairman, Managing Director or member of the Board of Directors of more than 40 companies in the public, joint and private sector. He has written several articles and presented papers. He has also been consultant to the Commonwealth Secretariat and to the UN Food and Agriculture Organization.

He is presently Chairman, The Federal Bank Limited; President, Sree Chitra Institute of Medical Sciences and Technology, Trivandrum and Chairman, Centre for Development Studies, Trivandrum.

In the opinion of the Board, the above Directors fulfil the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors as they are independent of the management.

The terms and conditions of their respective appointments shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the members for their approval.

The Board commends the Resolutions at Item Nos.8 to 11 of the accompanying Notice for approval by the members of the Company.

Other than Ms. Bansal, Ms. Padalkar, Mr. Bhandarkar and Mr. Chandrasekhar, who are concerned or interested in the respective Resolutions relating to their appointment, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos.8 to 11 of the accompanying Notice.

Ms. Bansal, Ms. Padalkar, Mr. Bhandarkar and Mr. Chandrasekhar, are not related to any Director or KMP of the Company.

Item No.12: Mr. Ashok S. Sethi was appointed as Executive Director of the Company for the period commencing from 7th May 2014 to 31st March 2017. The Board has, vide resolution passed on 10th February 2017, re-appointed Mr. Sethi as COO and Executive Director of the Company for a period commencing from 1st April 2017 upto 30th April 2019, subject to approval of the members. This appointment was made based on recommendation by the NRC comprising Mr. N. H. Mirza (Chairman), Mr. S. Padmanabhan, Dr. H. S. Vachha, Mr. D. M. Satwalekar and Ms. Anjali Bansal.

Mr. Sethi, aged 63 years, joined the Company on 1st August 1975, as a Graduate Engineer Trainee, on completion of B.Tech from IIT, Kharagpur. He has worked diligently for the last about 41 years at Tata Power in different roles and has got exposure to all aspects of the business such as Thermal and Hydro Generation, Transmission and Distribution, Commercial and Regulatory and Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.

Under the leadership of Mr. Sethi, operating divisions and subsidiaries took stretched operating targets to register continual improvements in operating parameters and register robust operating performance year on year, which has reflected in improved operating profits. Over the last few years all the operating stations have been conferred with prestigious awards in the areas of Safety, Energy Conservation, Quality Systems and Operations from renowned organisations like FICCI, CBIP, CEA etc. Further, Maithon Power Limited (MPL), a subsidiary company is today placed in top 20 operating stations in the report published by CEA.

He has mentored and developed capability to improve quality of strategic deployment of improvement projects for removal of technical and commercial bottlenecks. He has guided building of comprehensive analysis methodology and continuous monitoring of operating performance parameters for wind and solar farms have improved availability of wind turbines across all wind farms and development of its own capability to manage O&M of wind farms. It will be a game changer and securitise wind assets.

He has focused on sale of power by SBUs (develops commercial acumen) which helped achieve full capacity PPA for MPL, tie up with Railways as distribution for 18 months, open access supply to large consumers, leading the strategy on securitisation of Mumbai business as PPAs come to an end in March 2018. He has also guided Transmission business to maintain and strengthen leadership position by ensuring transmission licence for 25 years, remote operations of all grid stations, mobile maintenance, increased transmission capacity and lean organisation and Mumbai's first 400 KV grid station and 420 MVA capacity is in pipeline.

He has also led the efforts related to licence renewal of Mumbai distribution business by meticulous planning and execution, thus overcoming adverse environment to get distribution license for 25 years. Under him, the customer base increased to 6.64 lakh with a CAGR of 16%. Use of technology was accelerated and customer service is being steadily moved towards where customer will get complete service on mobile, with the mobile application already launched.

The sustained and focused efforts on improving operational performance, building relationships with key stakeholders and improving internal processes have led to achieving of financial performance goals. On a consolidated basis, Tata Power's operating profits (under IND-AS Accounting) from the existing assets, stood at ₹ 5,237 crore in FY17.

He has led the vision of making Tata Power the leader in power industry in respect of comprehensive O&M transformation programme named 'Param Sankalp' that has been initiated in FY17. The program, apart from improved results in tangible bottom-line, will also make the O&M function a 'Great Place to Work' enhancing the pride of employees.

He has actively led the regulatory and advocacy efforts together with the CEO and Managing Director to ensure operating business units work with Government, Regulators, Customers and other key stakeholders to overcome challenges and hurdles. Further, he has significantly contributed to key reforms / regulatory issues which would benefit the power sector like presentation to the Parliamentary Committee members on Electricity Act, 2003 amendments and importance on Hydro Power; new environment norms and its implementation philosophy and creating level playing field with OA supply traders or generators etc.

He has guided the setup of Tata Power Skill Development Institute (TPSDI) to empower youth with power skills and enhancing their employability in the power sector. 4 training hubs at Shahad and Trombay in Maharashtra, Maithon in Jharkhand and Mundra in Gujarat till date have been operationalised with few spoke centres. Vision is to have all skilled workmen working inside Tata Power plants trained and certified by TPSDI. CBIP has recognised TPSDI as the best training institute for skill development in FY17.

He has also mentored the Safety function and led its transformation across through various aspects like creation of Contractor's Safety Code of Conduct, leading edge customised EHSM module (SAP), Mobile Safety application 'Suraksha' etc. He has also prepared the digitalization blueprint and roadmap finalized for all functions and O&M Divisions and new compliance management framework created to reinforce rigour into this vital aspect of ensuring compliance of legal provisions for uninterrupted business continuity.

The principal terms and conditions of Mr. Sethi's appointment as COO and Executive Director (hereinafter referred to as 'Mr. Sethi' or the 'COO and Executive Director') and the main clauses of the agreement to be executed between the Company and Mr. Sethi are as follows:

1. Term and Termination:

1.1 From 1st April 2017 to 30th April 2019.

1.2 The Agreement may be terminated earlier, without any cause, by Mr. Sethi 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 COO and Executive 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 COO and Executive 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 COO and Executive Director shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The COO and Executive 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 Mr. Sethi shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

3.1 So long as the COO and Executive Director performs his duties and conforms to the terms and conditions contained in the 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) Salary : Basic Salary ₹ 5,50,000 per month; upto a maximum of ₹ 7,00,000 per month, with authority to 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 based on recommendation of the NRC and will be merit-based and take into account the Company's performance as well.

b) Benefits, Perquisites, Allowances

In addition to the Salary referred to in (a) above, the COO and Executive 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 Salary (in case no accommodation is provided by the Company).

B. Hospitalisation and major medical expenses, Car facility, Telecommunication facility and Housing loan facility as per the Rules of the Company.

C. Other perquisites and allowances given below subject to a maximum of 55% of the Annual Salary; this shall include:

a)	Medical Allowance		8.33%
b)	Leave Travel Concession/Allowance		8.33%
c)	Other Allowances		33.34%
			50.00%
d)	Personal Accident Insurance	) @ actuals	
e)	Club Membership fees	) subject 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.

E. The COO and Executive Director shall be entitled to leave in accordance with the Rules of the Company. Annual Leave not availed by the COO and Executive Director is encashable in accordance with the Rules of the Company.

c) Commission: In addition to Salary, Benefits, Perquisites, Allowances the COO and Executive 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, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the COO and Executive Director will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

d) <u>Incentive Remuneration:</u> 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.

An indicative list of factors that may be considered for determination of the extent of Commission / Incentive Remuneration by the Board (as recommended by the NRC) are:

- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the COO and Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the COO and Executive Director remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

3.3 Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.

4. The terms and conditions of the appointment of the COO and Executive 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 COO and Executive Director, subject to such approvals as may be required.

5. The COO and Executive 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 COO and Executive Director, unless specifically provided otherwise.

7. The employment of the COO and Executive Director may be terminated by the Company without notice or payment in lieu of notice:

   a. if the COO and Executive 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 COO and Executive Director of any of the stipulations contained in the Agreement; or

   c. in the event the Board expresses its loss of confidence in the COO and Executive Director.

8. In the event the COO and Executive 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 COO and Executive 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 COO and Executive Director shall not without the consent of the Board 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. Sethi will cease to be the COO and Executive Director and also cease to be a Director of the Company. If at any time, the COO and Executive Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the COO and Executive Director and the Agreement shall forthwith terminate. If at any time, the COO and Executive Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and COO and Executive Director of the Company.

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

12. Remuneration paid/payable to the COO and Executive Director for FY17 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them. The table below illustrates the comparative data:

(Amount in ₹ crore)

Market - CTC with Long term initiatives						
Benchmark Position	**No. of Observations from Market**	**P10**	**P25**	**P50**	**P75**	**P90**
COO	10 companies	2.38	2.74	3.66	5.17	8.30

Note:

i) Based on AON Hewitt - Executive Director Market Pricing Report.

ii) Market data is for companies with revenue size between ₹ 20,000 crore to ₹ 60,000 crore.

iii) CTC includes Basic Salary, Benefits, Perquisites and Allowances and Annual Incentives / Commission paid.

The remuneration of Mr. Sethi for FY17 was ₹ 3.16 crore.

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 areas 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. Sethi as COO and Executive 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 Resolution at Item No. 12 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. Sethi, 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.

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

Item No.13: At the AGM held on 21st September 2016, the members of the Company had approved of the appointment and terms of remuneration of Mr. Anil Sardana as CEO and Managing Director of the Company for a period of 5 years from 1st February 2016, including *inter alia* salary upto a maximum of ₹ 9,50,000 per month, with authority to the Board to fix his salary within the above mentioned scale.

Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. Sardana, on the recommendation of the NRC, the Board, at its meeting held on 19th May 2017, has revised the maximum basic salary payable to Mr. Sardana to ₹ 14,00,000 per month with effect from 1st April 2018 for the remainder of his term upto 31st January 2021, with proportionate increase in the benefits related to his salary, subject to the approval of the members of the Company. All other terms and conditions of appointment of Mr. Sardana as CEO and Managing Director of the Company, as approved at the AGM of the Company held on 21st September 2016, remain unchanged.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V to the Act, as amended and as in force from time to time.

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

The Directors are of the view that the remuneration payable to Mr. Sardana as CEO and Managing Director is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No.13 of the accompanying Notice for approval by the members of the Company.

Other than Mr. Sardana, 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.

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

Item No.14: 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 total borrowings of the Company as on 31st March 2017 are approx. ₹ 14,112 crore. The Company estimates to borrow around ₹ 1,750 crore till August 2018 to finance its capex requirements and also raise debt for its subsidiaries till August 2018 as per its Annual Business Plan. Furthermore, the Company is looking at an amount of approx. ₹ 5,250 crore for refinancing the NCDs taken for the Welspun acquisition, for refinancing certain NCDs taken by the Company, for refinancing the Euro notes maturing in FY 2018 and for certain long term repayments.

Among the various options for raising such funds, the Company may need to raise funds by way of NCDs of upto ₹ 7,000 crore to meet these requirements from August 2017 till August 2018.

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 Resolution at Item No.14, 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.14 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.14 of the accompanying Notice.

Item Nos.15 and 16: The existing Authorised Share Capital of the Company is ₹ 529 crore divided into 300,00,00,000 Equity Shares of ₹ 1 each and 2,29,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each and the paid-up equity share capital is ₹ 270.50 crore divided into 270,47,73,510 Equity Shares of ₹ 1 each. The Company is looking at ways to reduce the leverage on its Balance Sheet and may consider evaluating options including raising of further equity. The Company would need equity funding for the various growth projects of the Company and for infusion in certain subsidiaries in the next 3 to 5 years. In case the Company wishes to explore the option to raise further capital, then the existing Authorised Share Capital of ₹ 300 crore for Equity Shares may not be adequate and, therefore, it is proposed to increase the Authorised Share Capital to ₹ 579 crore divided into 350,00,00,000 Equity Shares of ₹ 1 each and 2,29,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each by creation of 50,00,00,000 Equity Shares of face value of ₹ 1 each.

As a consequence, the Capital Clause of the Memorandum of Association of the Company is required to be altered appropriately. The approval of the members is sought in terms of Sections 13, 61 and other applicable provisions, if any, of the Act, to increase the Authorised Share Capital as well as to alter the Capital Clause of the Memorandum of Association of the Company.

A modified copy of the Memorandum of Association is available for inspection by the members of the Company at its Registered Office and a copy of the same is also available at the Corporate Office of the Company at 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009 during normal business hours on any working day of the Company.

The Board commends the Resolutions at Item Nos.15 and 16 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 Resolutions at Item Nos.15 and 16 of the accompanying Notice.

Item No.17: 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.17 of the accompanying Notice.

The Board commends the Resolution at Item No.17 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.17 of the accompanying Notice.

Item No.18: 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 2017-18, at a remuneration of ₹ 6,50,000 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.18 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.18 of the accompanying Notice.

By Order of the Board of Directors,

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

Mumbai, 19th May 2017

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	**Ms. Sandhya S. Kudtarkar**	**Mr. N. Chandrasekaran**	**Mr. S. Padmanabhan**
Date of Birth (Age)	9th April 1958 (59 years)	2nd June 1963 (53 years)	15th May 1958 (59 years)
Date of Appointment	16th April 2016	11th February 2017	16th December 2016
Expertise in specific functional areas	Ms. Kudtarkar is a Commerce graduate, Chartered Accountant and Company Secretary and has been with the Tata Group since March 1982. Having held various positions in the Secretarial function with Tata Steel Limited, she was the Company Secretary of Tata Steel from June 1994 till October 2001. Thereafter, she moved to the Group Legal Department and is presently Sr. Vice President - Legal Services of Tata Services Limited. She is a director of various Tata companies including Tata International Limited, Panatone Finvest Limited and TS Investments Limited. She is a member of the Law Review and Rationalisation Committee of the IMC Chamber of Commerce and Industry.	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. Padmanabhan is currently the Head of Group Human Resources for Tata Sons and Executive Chairman, Tata Business Excellence Group (TBExG). In his role as Head of Group Human Resources, he is responsible for enabling key HR policies and initiatives across the Tata Group globally. As Executive Chairman of TBExG, Mr. Padmanabhan is responsible for enabling the Business Excellence journey across the Tata group of companies globally. This role, which he took on in 2014, is integral to Group initiatives in enhancing the performance of Tata companies through diagnostics, benchmarking and sharing best practices. His career with the Tata Group companies began with TCS in 1982 and spans over 34 years. During his 26 year stint in TCS, he has held roles such as Executive Director of Human Resources, Head of Application Development and Maintenance, Head of Airlines Practice and Country Manager, TCS Switzerland. He was also the CEO of Aviation Software Development Consultancy, a Joint Venture between TCS and Singapore Airlines. As the Executive Director of HR at TCS, Mr. Padmanabhan was responsible for managing over 1,00,000 employees worldwide. During his tenure, TCS achieved the highest retention rates. Mr. Padmanabhan also played a pivotal role in overseeing the USD 1Bn. TCS IPO – the largest in the country till then. Mr. Padmanabhan was also the Executive Director-Operations of the Company from 6th February 2008 to 30th June 2014, and was responsible for the profitable and sustainable operations of all thermal and hydro generation plants across India and transmission and distribution systems in Mumbai.
Qualifications	Commerce graduate, Chartered Accountant and Company Secretary.	Master's in computer applications from Regional Engineering College, Trichy, Tamil Nadu.	Gold Medallist in Electronics and Communication Engineering from PSG College of Technology, Coimbatore, Glaxo gold medallist for marketing stream from IIM, Bangalore, Advanced Management Program at the Harvard Business School.
Directorships held in other companies (excluding foreign companies)	• TS Investments Ltd. • Tata International Ltd. • Universal Comfort Products Ltd. • Panatone Finvest Ltd. • Indian Rotorcraft Ltd. • Rohini Industrial Electricals Limited	• Tata Sons Ltd. • Tata Consultancy Services Ltd. • Tata Steel Ltd. • Tata Motors Ltd. • The Indian Hotels Co. Ltd. • TCS Foundation • Reserve Bank of India	• Tata Chemicals Ltd. • Infiniti Retail Ltd. • Tata Consulting Engineers Ltd. • The Associated Building Co. Ltd. • Ecofirst Service Ltd.

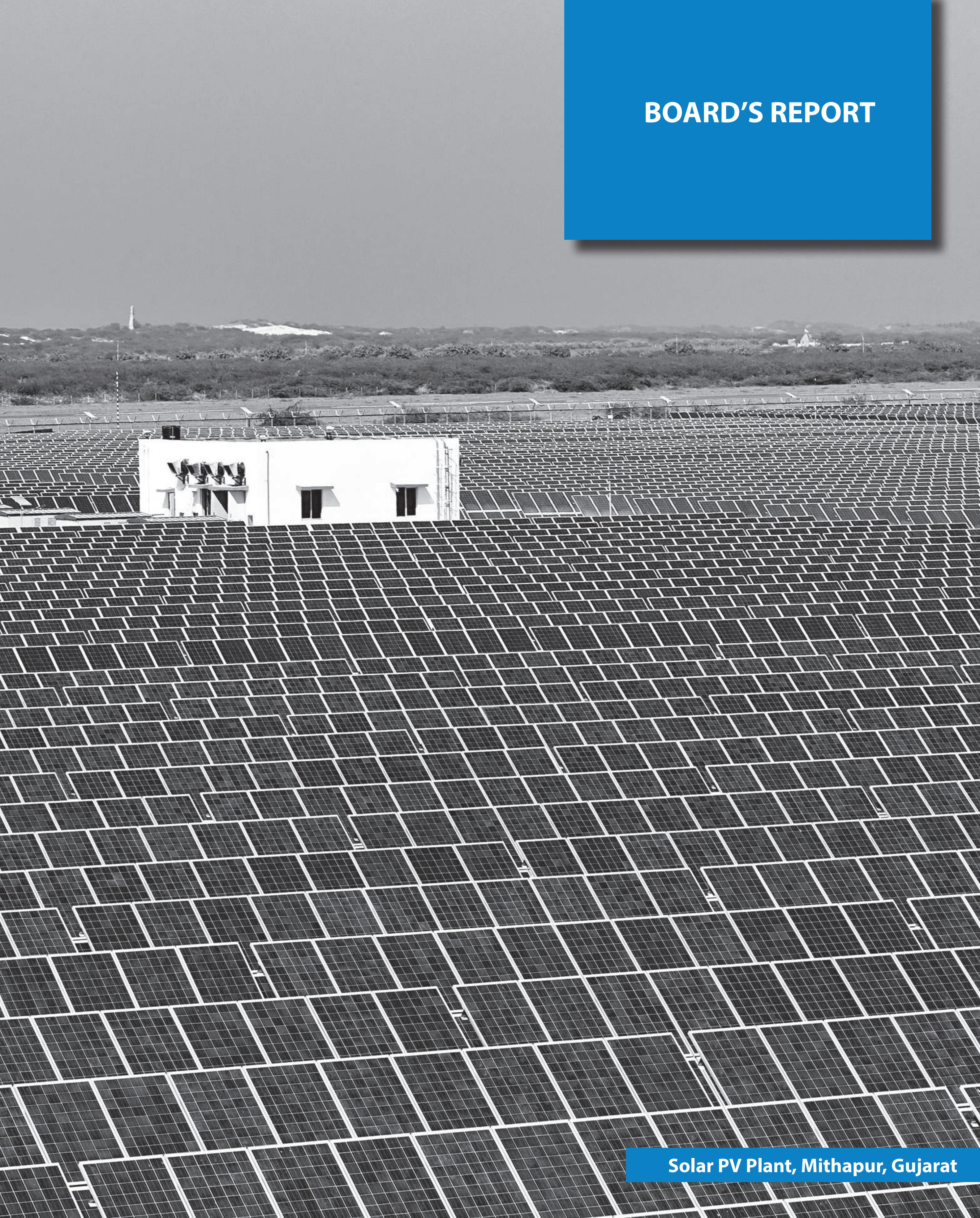
Name of Director	Ms. Sandhya S. Kudtarkar	Mr. N. Chandrasekaran	Mr. S. Padmanabhan
Committee position held in other companies	**Audit Committee** *Member* • Panatone Finvest Ltd. • Indian Rotorcraft Ltd. **Nomination and Remuneration Committee** *Member* • Panatone Finvest Ltd. • Indian Rotorcraft Ltd. **Corporate Social Responsibility Committee** *Member* • TS Investments Ltd.	**Nomination and Remuneration Committee** *Member* • Tata Sons Ltd. • Tata Consultancy Services Ltd. • Tata Motors Ltd. • The Indian Hotels Co. Ltd. **Corporate Social Responsibility Committee** *Chairman* • Tata Consultancy Services Ltd. **Risk Management Committee** *Member* • Tata Consultancy Services Ltd. **Executive Committee** *Chairman* • Tata Consultancy Services Ltd. • Tata Steel Ltd. • Tata Motors Ltd. **Finance Committee** *Chairman* • Tata Steel Ltd. **Special Committee** *Member* • Tata Sons Ltd. **Human Resource Management Sub-committee** *Member* • Reserve Bank of India	**Audit Committee** *Member* • Tata Chemicals Ltd. • Tata Consulting Engineers Ltd. **Nomination and Remuneration Committee** *Member* • Infiniti Retail Ltd. • Tata Consulting Engineers Ltd. **Stakeholders Relationship Committee** *Member* • Tata Chemicals Ltd. **Corporate Social Responsibility Committee** *Member* • Tata Consultancy Engineers Ltd. **Risk Management Committee** *Member* • Tata Chemicals Ltd. • Tata Consulting Engineers Ltd. **CSR, Safety and Sustainability Committee** *Chairman* • Tata Chemicals Ltd. **Committee of the Board** *Member* • Infiniti Retail Ltd.
Remuneration	N.A.	N.A.	N.A.
No. of meetings of the Board attended during the year	8	Nil	2
No. of shares held:			
(a) Own	Nil	Nil	Nil
(b) For other persons on a beneficial basis	Nil	Nil	Nil

Name of Director	Ms. Anjali Bansal	Ms. Vibha Padalkar	Mr. Sanjay V. Bhandarkar
Date of Birth (Age)	25th February 1971 (46 years)	5th May 1968 (49 years)	26th March 1968 (49 years)
Date of Appointment	14th October 2016	14th October 2016	14th October 2016
Expertise in specific functional areas	Ms. Bansal is the former Global Partner and Managing Director with TPG Private Equity and a strategy consultant with McKinsey and Company in New York and Mumbai. She founded and ran Spencer Stuart's India practice successfully growing it to a highly reputed pan-India platform. She was also a global partner and co-led their Asia Pacific Board and CEO practice as part of the Asia Pacific leadership team. She started her career as an engineer. She serves as an Independent Non-Executive Director on the public boards of GlaxoSmithKline Pharmaceuticals Limited, Bata India Limited and Voltas Limited. She is on the Advisory Board of the Columbia University Global Centers, South Asia. She is an enthusiastic participant in the entrepreneurial ecosystem, is charter member of TiE, angel investor and mentor to young entrepreneurs and companies including the SAHA Fund, Female Founders Fund and others. Ms. Bansal is deeply committed to social enterprise and is an advisor to SEWA. Previously, she chaired the India board of Women's World Banking, a leading global livelihood-promoting institution and was an advisor to Grameen Foundation. An active contributor to the dialogue corporate governance and diversity, she co-founded and chaired the FICCI Center for Corporate Governance program for Women on Corporate Boards. She serves on the managing committee of the Bombay Chamber of Commerce and Industry and is part of the CII Directors Guild. She is a member of the Young Presidents' Organization.	Ms. Padalkar is Executive Director and Chief Financial Officer at HDFC Standard Life Insurance Company Limited (HDFC Life). Post joining the company in August 2008, she has been leading the Finance, Internal Audit, Compliance, Risk Management, Legal and Secretarial teams, and also has oversight of the Pension subsidiary company. Prior to joining HDFC Life, Ms. Padalkar has had diverse experience in varied sectors, ranging from Outsourcing (WNS Global Services) to FMCG (Colgate Palmolive).	Mr. Bhandarkar is the former Managing Director of Rothschild's Investment Banking operations in India and continues to be a part time Senior Advisor to Rothschild. During his career with Rothschild, he advised on a variety of corporate finance transactions across M&A, Capital Markets and Debt Restructuring. A few notable deals include; advised Vodafone on their IPO preparations and on bidding in the 2G Spectrum auctions; advised Aircel on the sale of its towers business to GTL; advised Suzlon on its debt restructuring discussions with international lenders; advised the GVK-South African consortium on its bid for Mumbai airport privatisation; advised Cairn Plc on the sale of its interest in Cairn India; advised Cairn Plc on the IPO of Cairn India. Prior to Rothschild, he has also worked with Peregrine Capital and ICICI Securities and Finance Company Limited. He has over two decades of experience in Investment banking.
Qualifications	B.E. (Computer Engineering), Gujarat University, M.A. International Finance & Business, Columbia University	Member of the Institute of Chartered Accountants in England and Wales. Member of the Institute of Chartered Accountants in India	Degree in Management from XLRI, Jamshedpur.
Directorships held in other companies (excluding foreign companies)	• GlaxoSmithKline Pharmaceuticals Ltd. • Bata India Ltd. • Voltas Ltd. • Bombay Chamber of Commerce & Industry	• HDFC Standard Life Insurance Co. Ltd. • HDFC Pension Management Co. Ltd. • HDFC Investments Ltd.	• Newage Power Co. Pvt. Ltd. • S. Chand & Co. Ltd. • Chhaya Prakashani Pvt. Ltd. • Welspun Renewables Energy Pvt. Ltd. • Tata Power Renewable Energy Ltd.

Name of Director	Ms. Anjali Bansal	Ms. Vibha Padalkar	Mr. Sanjay V. Bhandarkar
Committee position held in other companies	**Audit Committee** *Member* • Bata India Ltd. **Nomination and Remuneration Committee** *Chairperson* • Bata India Limited *Member* • GlaxoSmithKline Pharmaceuticals Ltd. • Voltas Ltd. **Corporate Social Responsibility Committee** *Member* • GlaxoSmithKline Pharmaceuticals Ltd.	**Audit Committee** *Chairperson* • HDFC Investments Ltd. **Nomination and Remuneration Committee** *Member* • HDFC Investments Ltd. **Corporate Social Responsibility Committee** *Member* • HDFC Standard Life Insurance Co. Ltd. **Risk Management Committee** *Member* • HDFC Standard Life Insurance Co. Ltd. • HDFC Pension Management Co. Ltd. **Investment Committee** *Member* • HDFC Standard Life Insurance Co. Ltd. • HDFC Pension Management Co. Ltd.. **Policy Holder Protection Committee** *Member* • HDFC Standard Life Insurance Co. Ltd.	**Audit Committee** *Chairman* • Chhaya Prakashani Pvt. Ltd. *Member* • Welspun Renewables Energy Pvt. Ltd. • Tata Power Renewable Energy Ltd. **Nomination and Remuneration Committee** *Member* • Chhaya Prakashani Pvt. Ltd. • Welspun Renewables Energy Pvt. Ltd. • Tata Power Renewable Energy Ltd. **Corporate Social Responsibility Committee** *Member* • Tata Power Renewable Energy Ltd. **Finance Committee** *Member* • Welspun Renewables Energy Pvt. Ltd.
Remuneration	N.A.	N.A.	N.A.
No. of meetings of the Board attended during the year	4	4	4
No. of shares held:			
(a) Own	Nil	Nil	16,262
(b) For other persons on a beneficial basis	Nil	Nil	Nil

Name of Director	Mr. K. M. Chandrasekhar	Mr. Ashok S. Sethi
Date of Birth (Age)	20th February 1948 (69 years)	3rd April 1954 (63 years)
Date of Appointment	4th May 2017	7th May 2014
Expertise in specific functional areas	Mr. Chandrasekhar is a retired Civil Servant and was the 29th Cabinet Secretary of the Republic of India. He spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation; District Collector, Idukki; Director of Fisheries; Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India. In 1996, he left Kerala on Central Government deputation. During his 15 years tenure with the Government of India, from 1996 to 2011, he was Joint Secretary in the key Trade Policy Division of the Ministry of Commerce, Deputy Chief of Mission in the Embassy of India, Brussels and the Ambassador and Permanent Representative of India in the World Trade Organization in Geneva. He rose to the position of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister. He retained that position for four years. He retired from Government service in 2011 at the age of 63, having served the Government for 41 years. Post retirement, he was, for 5 years, Vice-Chairman, Kerala State Planning Board with rank of Cabinet Minister of the State. Mr. Chandrasekhar has considerable management experience having been associated as Chairman, Managing Director or member of the Board of Directors of more than 40 companies in the public, joint and private sector. He has written several articles and presented papers. He has also been consultant to the Commonwealth Secretariat and to the UN Food and Agriculture Organization.	Mr. Sethi joined the Company on 1st August 1975 as a Graduate Engineer Trainee. He has worked diligently for the last about 41 years at Tata Power in different roles and has got exposure to all aspects of the business such as Thermal and Hydro Generation, Transmission and Distribution, Commercial and Regulatory and Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.
Qualifications	Indian Administrative Service in 1970. B.A. (Honours) in Economics and M.A. in History from St. Stephen's College, University of Delhi. M.A. in Management Studies from the University of Leeds in United Kingdom.	B.Tech from IIT, Kharagpur
Directorships held in other companies (excluding foreign companies)	• The Federal Bank Ltd.	• Tata Power Trading Co. Ltd. • Industrial Energy Ltd. • Maithon Power Ltd.
Committee position held in other companies	**Nomination, Remuneration and Ethics Committee** *Member* • The Federal Bank Ltd. **Corporate Social Responsibility Committee** *Member* • The Federal Bank Ltd. **Credit Committee** *Member* • The Federal Bank Ltd. **Marketing and Customer Service Committee** *Member* • The Federal Bank Ltd.	**Nomination and Remuneration Committee** *Member* • Tata Power Trading Co. Ltd. • Industrial Energy Ltd. **Corporate Social Responsibility Committee** *Chairman* • Tata Power Trading Co. Ltd. *Member* • Maithon Power Ltd. **Executive Committee of the Board** *Member* • Maithon Power Ltd.
Remuneration	N.A.	As mentioned in the Explanatory Statement to the Notice dated 19th May 2017.
No. of meetings of the Board attended during the year	N.A.	9
No. of shares held:		
(a) Own	Nil	20,600
(b) For other persons on a beneficial basis	Nil	Nil

BOARD'S REPORT



Solar PV Plant, Mithapur, Gujarat

BOARD'S REPORT

To the Members,

The Directors are pleased to present to you the Ninety-Eighth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March 2017.

1. FINANCIAL RESULTS

Figures in ₹ crore (*Table 1*)

		Consolidated		Standalone	
		FY17	FY16	FY17	FY16
(a)	Net Sales / Income from Other Operations*	27,288	28,526	7,282	8,316
(b)	(Less) Operating Expenditure	(22,051)	(22,354)	(5,109)	(5,737)
(c)	**Operating Profit**	**5,237**	**6,172**	**2,173**	**2,579**
(d)	(Less) Add: Forex (Loss) Gain	(383)	(663)	(78)	(57)
(e)	Add: Other Income	586	754	992	962
(f)	(Less): Finance Cost	(3,114)	(3,236)	(1,296)	(1,146)
(g)	Profit before Depreciation and Tax	2,326	3,027	1,791	2,338
(h)	(Less): Depreciation / Amortisation / Impairment	(1,989)	(1,649)	(634)	(604)
(i)	**Profit Before Exceptional Item**	**337**	**1,378**	**1,157**	**1,734**
(j)	(Less): Exceptional Item	(651)	(98)	(651)	Nil
(k)	**Profit (Loss) before Tax**	**(314)**	**1,281**	**506**	**1,734**
(l)	(Less) Add: Tax Expenses or Credit	46	(681)	(223)	(379)
(m)	**Net Profit (Loss) after Tax**	**(268)**	**600**	**283**	**1,355**
(n)	Add: Share of Profit of Associates and Joint Ventures	1,217	186	-	-
(o)	**Net Profit for the year**	**949**	**786**	**283**	**1,355**
	Attributable to -				
	- Owners of the Company	**746**	**662**	**283**	**1,355**
	- Non-controlling interests	**203**	**124**	**-**	**-**
(p)	**Other Comprehensive income (Net of Tax)**	**(133)**	**(23)**	**(121)**	**(258)**
(q)	**Total Comprehensive Income**	**816**	**762**	**162**	**1,097**
	Attributable to -				
	- Owners of the Company	**613**	**639**	**162**	**1,097**
	- Non-controlling interests	**203**	**123**	**-**	**-**

**Including rate regulatory income (expense)*

Details regarding the changes due to the transition to IndAS are listed in Section 13 of this Board's Report.

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

2.1. CONSOLIDATED

On a Consolidated basis, the Operating Revenue was at ₹ 27,288 crore in FY17, compared to ₹ 28,526 crore in FY16. The decrease was mainly due to lower fuel cost and power purchase cost being passed through for the regulated business.

The Consolidated Profit after Tax in FY17 was at ₹ 746 crore compared to ₹ 662 crore in the previous year mainly due to higher contribution by the coal mines, renewables business and associates and lower foreign exchange losses, 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 11 - Management Discussion and Analysis (MD&A) of this report for details)

2.2. STANDALONE

On a Standalone basis, the Operating Revenue stood at ₹ 7,282 crore in FY17 compared to ₹ 8,316 crore in FY16. The decrease was mainly due to lower fuel cost and power purchase cost being passed through for the regulated business.

The Profit after Tax in FY17 was at ₹ 283 crore as compared to ₹ 1,355 crore last year. This was mainly due to loss toward contractual obligation on account of purchase of shares in TTSL form Docomo along with the increase in finance cost softened by the impact of favourable regulatory orders in the previous year.

The Earnings per Share (Basic and Diluted) in FY17 stood at ₹ 0.63.

(Refer Section 10 - MD&A of this report for details)

2.3. EXCEPTIONAL ITEM

In 2008-09, Docomo acquired shares of TTSL from Tata Sons Limited (TSL) and other group companies including your Company. In terms of the Agreements with Docomo, TSL, *inter alia*, agreed to provide various indemnities and a sale option entitling Docomo to sell its entire shareholding at a minimum predetermined price per share if certain performance parameters were not met by TTSL. Under the provisions of these agreements, your Company was obligated to purchase from Docomo, its holding in TTSL in the proportion of shares sold by the Company to the total secondary sale by the group companies, as a part of the process. The minimum pre-determined price represented 50% of the acquisition price of 2008-09.

Docomo exercised its sale option in July 2014 to sell its entire shareholding at the predetermined price. As the sum payable amounted to a capital account transaction, under the Foreign Exchange Management Act (FEMA), permission of the Reserve Bank of India (RBI) was required. RBI did not permit the acquisition of the shares at the predetermined price as the price was higher than fair market value of the shares. The matter was taken up for arbitration at U.K. by Docomo and it received a favourable award. The arbitration award had to be petitioned by TSL with Delhi High Court for implementation, due to RBI's objection.

On 28th April 2017, the Delhi High Court, while deciding on the matter, allowed TSL to pay the amounts to Docomo as per arbitration award for acquisition of the shares. This obligated your Company to purchase 11,82,22,767 shares. Consequently, during the year your Company has deposited ₹ 790 crore with Delhi High Court through TSL towards its share of the award. Based on the latest available valuation of TTSL shares, the Company has accounted for the loss of ₹ 651 crore towards contractual obligation on account of purchase of shares in TTSL in the standalone and consolidated financial statements as an Exceptional Item. Further, since your Company holds 17% stake in Tata Communications Limited, proportionate impact of its share in the loss towards the said contractual obligation has been accounted in the share of profit/(loss) of associates and joint ventures amounting to ₹ 146 crore.

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-17.pdf* (scan the adjacent QR code on any mobile device smart phone/ tablet to read the policy on the Company website. QR code scanner app can be downloaded free of cost for Android/iOS/Windows devices from respective app stores)

3. DIVIDEND

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, 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 has been provided in 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. Apart from the above, your Company is present in defence electronics and applications.

As on date of the report, the Tata Power group of companies had an operational generation capacity of 10,463 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 30% 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 30-40% of its total generation capacity to be from non-fossil fuel based generation sources by 2025.

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

<table>
<tr><th>Fuel Source</th><th>Location</th><th>State</th><th>Normative capacity under management (MW)</th><th>Returns/ Earnings Model</th><th>Category Total (MW)</th></tr>
<tr><td rowspan="7">Thermal – Coal / Oil / Gas</td><td>Mundra</td><td>Gujarat</td><td>4,150</td><td>Long term PPA based on UMPP Bid</td><td rowspan="7">7,322</td></tr>
<tr><td>Trombay</td><td>Maharashtra</td><td>1,430</td><td>Long term PPA - regulated Return on Equity</td></tr>
<tr><td>Maithon</td><td>Jharkhand</td><td>1,050</td><td>Long term PPA - regulated Return on Equity</td></tr>
<tr><td>Jojobera</td><td>Jharkhand</td><td>428</td><td>Long term PPA - regulated Return on Equity and negotiated PPA</td></tr>
<tr><td>Industrial Energy Limited (IEL) – Jojobera</td><td>Jharkhand</td><td>120</td><td>Bilaterally negotiated long term PPA</td></tr>
<tr><td>PT Citra Kusuma Perdana</td><td>Indonesia</td><td>36</td><td>Captive Arrangement</td></tr>
<tr><td>TPDDL Rithala (Gas Based)</td><td>New Delhi</td><td>108</td><td>PPA is being pursued</td></tr>
<tr><td rowspan="3">Thermal – Waste Heat Recovery</td><td>IEL – Jamshedpur</td><td>Jharkhand</td><td>120</td><td>Bilaterally negotiated long term PPA</td><td rowspan="3">375</td></tr>
<tr><td>IEL – Kalinganagar</td><td>Odisha</td><td>135</td><td>Bilaterally negotiated long term PPA</td></tr>
<tr><td>Haldia</td><td>West Bengal</td><td>120</td><td>Merchant sale (100 MW) and bilateral sale to West Bengal (20 MW)</td></tr>
<tr><td rowspan="5">Hydro</td><td>Bhira</td><td>Maharashtra</td><td>300</td><td rowspan="3">Long term PPA - regulated Return on Equity</td><td rowspan="5">693</td></tr>
<tr><td>Khopoli</td><td>Maharashtra</td><td>72</td></tr>
<tr><td>Bhivpuri</td><td>Maharashtra</td><td>75</td></tr>
<tr><td>Dagachhu</td><td>Bhutan</td><td>126</td><td>PPA with Tata Power Trading Company Limited (TPTCL)</td></tr>
<tr><td>Itezhi Tezhi</td><td>Zambia</td><td>120</td><td>Long term regulated return</td></tr>
<tr><td rowspan="2">Renewables</td><td>Wind farms</td><td>Maharashtra, Gujarat, Madhya Pradesh, Karnataka, Tamil Nadu, Rajasthan and South Africa</td><td>1140</td><td>Long term PPA based on Feed-in-tariff + REC Mechanism
(includes 30 MW assets of Indo Rama Renewables Jath Limited)</td><td rowspan="2">2073</td></tr>
<tr><td>Solar Photovoltaic (PV)</td><td>Maharashtra, Gujarat, Tamil Nadu and Delhi</td><td>933</td><td>Long term PPA based on Feed-in tariff</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td></td><td>10,463</td></tr>
</table>

NOTE: Trombay Unit 4 - 150 MW has been scrapped during the year and the same has been removed from the total installed capacity.

Details of other businesses *(Table 3)*

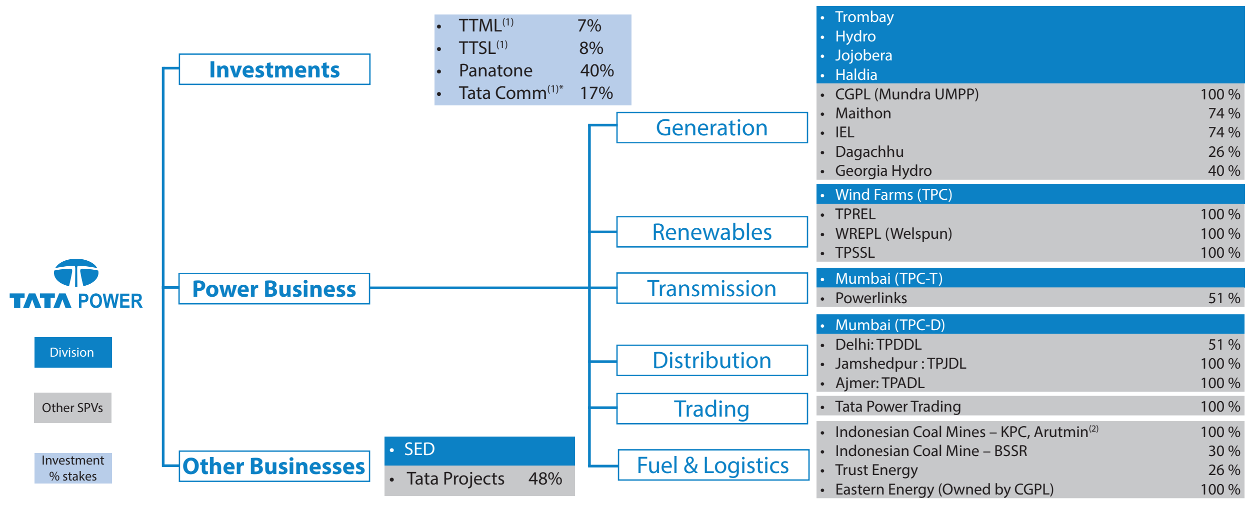
Business	Company/Entity	Location	Returns/ Earnings Model	Key details
Transmission	Tata Power (TPC - T)	Mumbai	25 year license w.e.f August 2015 - regulated Return on Equity	Over 1,200 CKms. of transmission lines, connecting generating stations to 21 receiving stations.
	Powerlinks Transmission Limited (PTL)	Eastern/ Northern regions	Regulated Return on Equity	1166 Kms. 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 4,300 Ckm of distribution network. Around 6.75 lakh consumers.
	Tata Power Delhi Distribution Limited (TPDDL)	New Delhi	Regulated Return on Equity	Approximately 15,000 Ckm of distribution lines. Over 1.58 million 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)	Bengaluru	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	Across India	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 amount of power.
Shipping	Trust Energy Resources Pte. Limited	Singapore	Returns based on long term charters	Operates long term charters to meet captive shipping requirements. Vessels operated are cape size.
Strategic Engineering	Tata Power Strategic Engineering Division (SED)	Mumbai	Returns based on sector dynamics and market competition	Amongst the Indian private sector, SED is one of the leading suppliers of systems integration for defence equipment.
Power Services	Tata Power	Mumbai	Returns based on sector dynamics and market competition	One of the leading service providers of project management, O&M and specialized services in the power sector.

Percentage contribution of different business models *(Table 4)*

Model	Capacity (MW)	% of overall capacity	Returns	Tata Power projects
Regulated returns	3275	31.3%	Fixed return on equity	Mumbai Operations (Trombay & Hydro), Maithon, Jojobera Unit #2 and #3, TPDDL Rithala
Regulated tariff mechanism (Renewables)	2073	19.8%	Fixed tariff + PLF driven	Wind, Solar
Captive power plant	411	3.9%	PPA driven (14-19%)	IEL (Unit 5, PH6, KPO), CKP (Indonesia)
Merchant	226	2.2%	Market driven	Haldia (100MW) Dagachhu (126MW)
MoU/ Bilateral	20	0.2%	PPA driven	Haldia (20MW)
PPA or Bid driven/ Fixed Tariff / Case II	4458	42.6%	Bid driven	Jojobera Unit#1 and #4, CGPL, ITPC (Zambia)

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

As on 31st March 2017, the Company had 49 subsidiaries (38 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.



Notes: (1) TTML: Tata Teleservices (Maharashtra) Ltd, TTSL: Tata Teleservices, Tata Comm: Tata Communications Ltd * Held directly and indirectly
(2) On 28th November, 2016, Tata Power signed a revised agreement for the sale of its 30% interest in Arutmin and associated companies subject to certain closing adjustments, certain conditions and restructuring

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

- Subsidiaries: The Company, through its subsidiaries, incorporated Nelco Network Products Limited, Vagarai Windfarm Limited and Chirasthayee Saurya Limited. Further, through its subsidiary Tata Power Renewable Energy Limited, it acquired Welspun Renewables Energy Private Limited and its 19 operating subsidiaries. It also acquired the wind assets of Indo Rama Renewables Jath Limited. Post acquisition of WREPL by TPREL, WREPL acquired one company (Welspun Urja India Limited) and merged one of the19 subsidiaries (Solarsys Energy Private Limited).
- Joint Ventures: The Company formed Resurgent Power Ventures Pte. Ltd. and LTH Milcom Private Limited as joint ventures and divested OTP Geothermal Pte. Ltd., PT Sorik Marapi Geothermal Power and PT OTP Geothermal Services Indonesia, during the year.
- Associates: The Group also divested its holding in ASL Advanced Systems Private Limited.

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 has been provided in the following link: *https://www.tatapower.com/aboutus/pdf/dms-policy-15.pdf* (alternately, scan the adjacent QR code using a mobile device to read the policy on the Company website).

6. RESERVES

The net movement in the various reserves (Standalone Accounts) of the Company for FY17 and the previous year are as follows:

Figures in ₹ crore *(Table 5)*

Particulars	FY17	FY16
Capital Redemption Reserve	1.60	1.60
Capital Reserve	61.66	61.66
Securities Premium Account	5,634.98	5,634.13
Debenture Redemption Reserve	1,000.90	545.24
General Reserve	3,866.24	3,866.24
Retained Earnings	4,466.08	5,110.80
Investment Revaluation Reserve	(253.40)	(139.69)

7. FOREIGN EXCHANGE - EARNINGS AND OUTGO

Figures in ₹ crore *(Table 6)*

Particulars – Standalone	FY17	FY16
Foreign Exchange Earnings	340	200
Foreign Exchange Outflow mainly on account of:	1,263	1,283
• Fuel purchase	971	935
• Interest on foreign currency borrowings, NRI dividends	42	41
• Purchase of capital equipment, components and spares and other miscellaneous expenses	250	307

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 FY17, none of which impact the "going concern" status of your Company.

8.1. MUNDRA UMPP

8.1.1. COMPENSATORY TARIFF/ FORCE MAJEURE RELIEF

Coastal Gujarat Power Limited (CGPL) - Mundra UMPP had approached 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. CERC had, 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 Appellate Tribunal for Electricity (APTEL). APTEL 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 off 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 judgment. 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, 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 off the appeal with regard to compensatory tariff, *inter alia* holding that:

a) CGPL's case does not fall under the FM 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). 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. Your Company, therefore, is in consultation with its legal counsels for advice on the possible legal options and way forward.

The Company remains committed to operating and maintaining the 4,000 MW Mundra Ultra Mega Power Station which is operating at benchmark operational parameters and is making a significant contribution in ensuring the energy security of the country. While the Company continues to make efforts to seek additional tariff, 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. Efforts are also in progress to optimally refinance debt and minimize the total cost incurred on debt servicing. It may also be noted that the combined investments in the Indonesian coal mines along with investment in coal logistics and CGPL, when considered together, provide a natural hedge towards future fluctuations in coal prices. It may be noted that CGPL project cost does not include the investment made in the coal mines .

For the long-term sustainability of the power station, however, your Company is exploring all options to structure the investment in a manner that it earns a reasonable return.

8.1.2. CHANGE IN LAW

A) CHANGE IN LAW - OPERATIONS

CGPL filed a Petition for its claim under Change in Law relevant to Indian provisions for the period FY12, FY13 and FY14 in June 2015 and CERC passed the order on 17th March 2017, which is consistent with the orders passed by CERC for other generators seeking relief under change in law operations.

B) CHANGE IN LAW - CONSTRUCTION

Petition for claiming the impact of Change in Law - Construction has been filed before CERC in July 2016. The matter has been admitted and is yet to be heard.

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 dated 7th December 2015, has revised the environment emissions norms mandating all thermal power plants to comply with new/revised norms. 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. Meanwhile, your Company is already in compliance with the new norms related to Suspended Particulate Matter (SPM) etc. Though your Company was all prepared to move ahead and complete requirements on time, but for regulatory delays, it is believed that implementations of the proposed regulations is likely to be postponed.

8.1.4. SUO-MOTU PETITION BY CERC ON DECLARATION OF COMMERCIAL OPERATION OF UNITS 20, 30, 40 & 50 OF MUNDRA UMPP

Based on representations made by an individual before Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI) on the issue of declaration of commercial operations dates for Units 20, 30, 40 and 50 of Mundra UMPP, the matter was referred to CERC and a *suo-motu* petition has been initiated in the matter. When the matter was listed and heard before CERC on maintainability on 24th May 2016, issues on *locus standi* of the individual and jurisdiction of CERC were raised by the Company. The matter has been heard by CERC and order reserved on the issue of maintainability of the proceedings. In December 2016, Energy Watchdog has filed an intervention application before CERC with a prayer to allow it to intervene/participate in the above referred *suo-motu* petition. On this issue, CEA and WRLDC had earlier reviewed all inputs and given their acceptance on COD dates.

8.2. MUMBAI OPERATIONS

8.2.1. MULTI YEAR TARIFF ORDERS OF MERC

The Multi Year Tariff (MYT) petitions for Mumbai generation, transmission and distribution businesses of the Company were filed with MERC during the year, which included truing-up for FY15 and provisional truing-up for FY16, as also the Annual Revenue Requirement (ARR) for 3rd MYT Control Period from FY17 to FY20 was filed. MERC passed its MYT order for generation business on 8th August 2016; for transmission business on 30th June 2016 and for distribution business on 21st October 2016. Review petitions with MERC and appeals with APTEL have been filed challenging the disallowance by MERC in the tariff orders.

8.2.2. NETWORK ROLL-OUT PLAN

Post the judgement of APTEL in November 2014, your Company submitted its revised network rollout plan in Case No. 182 of 2014. MERC passed an interim order in the said petition on 9th November 2015, directing constitution of a committee to examine and finalize the operational specific matters/physical rollout of network for the consideration of MERC. On 28th March 2016, the committee provided its recommendation to MERC for its consideration and a public hearing was conducted on 21st June 2016. The network rollout plan of your Company is currently pending order of the Commission.

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

Appeal filed by Reliance Infrastructure Limited (R-Infra) challenging the distribution license granted to Tata Power -Distribution in August 2014 is pending before APTEL. Further, appeals filed by R-Infra and Brihanmumbai Electric Supply & Transport Undertaking (BEST) against the interim order dated 9th November 2016, passed by MERC, are also pending before APTEL.

8.2.4. MID TERM REVIEW ORDERS - CIVIL APPEAL FILED WITH HON'BLE SUPREME COURT

A civil appeal has been filed by your Company before the Supreme Court challenging the judgement of APTEL in Review Petition No. 13 of 2016 and order dated 3rd June 2016 in appeal nos. 244 and 246 of 2015 dismissing the appeals and review petition filed by Tata Power-Generation and Transmission against the mid-term review orders issued by MERC. The civil appeal was heard on 30th January 2017 and is currently pending before the Supreme Court.

8.2.5. KEY JUDGEMENT - CHALLENGING EOI BY MERC FOR GRANT OF LICENSE

A critical judgement has been passed by APTEL on 4th November 2016, dismissing appeal no. 243 of 2016 filed by BEST against MERC, challenging the invitation for expression of interest issued by MERC for grant of licence to Tata Power - Distribution.

APTEL dismissed the appeal on the grounds that the points raised by BEST have been, *inter alia*, covered by the judgement of the Supreme Court that there can be a parallel licensee in the area where a local authority is licensed to supply electricity.

8.2.6. KEY JUDGEMENT - ALLOWING TATA POWER TO SUPPLY OUTSIDE THE LICENSE AREA

MERC passed an order dated 10th May 2016, in Case No. 43 of 2016 allowing Tata Power to continue to supply power to six consumers who fall outside the licence area of Tata Power. MERC also disallowed Maharashtra State Electricity Distribution Company Limited's (MSEDCL) claim on seeking cross subsidy surcharge from the six consumers in its area of supply. MSEDCL's revenue petition is pending for hearing.

8.2.7. 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 have been admitted in 2007. The matter was part heard during the year and the hearings are yet to be completed.

8.2.8. ENERGY CHARGES AND 'TAKE OR PAY' OBLIGATION

MERC directed R-Infra to pay ₹ 323.87 crore to Tata Power towards its 'Take or Pay' obligation for the years 1998-99 and 1999-2000. On an appeal filed by R-Infra, APTEL upheld Tata Power's contention with regard to payment for energy charges but reduced the rate of interest. As regards the 'Take or Pay' obligation, APTEL has ordered that the issue should be examined afresh by MERC after the decision of the Supreme Court in the appeals relating to the distribution license and rebates given by R-Infra. Tata Power and R-Infra have filed appeals with Supreme Court. The Supreme Court, vide its order dated 14th December 2009, has granted 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.

8.2.9. ENTRY TAX

Your Company had filed a writ in the High Court at Bombay (HC) challenging the constitutional validity of the Maharashtra Entry Tax Act. HC, vide its order dated 2nd August 2016, dismissed the writ petition. Aggrieved, your Company filed Special Leave Petition (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. There is no date fixed for further hearing of the matter and the same will come up in due course.

8.3. JOJOBERA OPERATIONS

8.3.1. APTEL JUDGEMENT FOR JOJOBERA UNIT 2 and UNIT 3

APTEL, in August 2016, passed a favourable order in an appeal filed by your Company challenging some of the findings of the Jharkhand State Electricity Regulatory Commission (JSERC) in the Annual Performance Review (APR) order for FY13 for Jojobera Unit 2 and Unit 3.

8.3.2. ANNUAL PERFORMANCE REVIEW (APR) ORDER FOR FY15-16 FOR JOJOBERA UNIT 2 AND UNIT 3

In January 2017, JSERC passed the APR order for FY16 including truing-up for FY14 and FY15 and revised true-up for FY13 in light of the judgement of APTEL. JSERC has also allowed claims of your Company while carrying out the true-up for FY14 and FY15.

8.3.3. APPROVAL OF THE REVISED PPA OF JOJOBERA UNIT 2 & UNIT 3

JSERC had earlier directed your Company to renegotiate the terms and conditions of the Power Purchase Agreement (PPA) with Tata Steel Distribution Licensee (TSDL) for Jojobera Unit 2 and Unit 3 subsequent to their transition to the regulatory regime. Accordingly, the PPA for the above Units was re-negotiated with TSDL and submitted before JSERC for its approval. JSERC has, in August 2016, accorded its approval on the Revised PPA for Jojobera Unit 2 and Unit 3, which has now been taken up for execution between your Company and TSDL.

8.4. MAITHON POWER LIMITED (MPL)

8.4.1. APPEAL FILED AGAINST DISALLOWANCES BY CERC IN MPL TARIFF ORDER

In May 2016, APTEL passed its judgement on the appeal filed by MPL against the partial disallowance by CERC in its order dated 19th November 2014 of the Interest during Construction (IDC) and cost of secondary fuel oil consumption. APTEL has upheld the findings of CERC and dismissed the plea of MPL. MPL thereafter, has filed a petition for review of the above judgement before APTEL and an appeal with the Supreme Court against APTEL's judgment. Both the submissions are pending before the respective forums.

8.4.2. APPEAL FILED CHALLENGING DERC ORDER

MPL has challenged, before APTEL, the findings of Delhi Electricity Regulatory Commission (DERC) regarding the jurisdiction of the appropriate Commission pertaining to resolution of disputes arising out of the medium-term PPA between MPL and the Delhi discoms for the period October 2010 to March 2012. APTEL, in its judgement, has directed MPL to approach CERC for resolution of the disputes. Accordingly, MPL has approached CERC with a petition for resolution of the disputes.

8.4.3. TARIFF PETITION FOR FY14-19

MPL has filed a Petition for determination of the tariff for the period FY14-19 along with the truing-up for FY11-14 on 1st June 2015, before CERC. The proceedings in the above matter has been completed in December 2016 and the order is reserved.

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

MoEF&CC, vide its notification dated 7th December 2015, has revised the environment emissions norms, mandating all thermal power plants to comply with new/revised norms. Petition (72/MP/2016) filed by MPL seeking in-principle approval of abstract scheme of capex in compliance with new environmental norms has been disposed off by CERC directing MPL to approach CEA and MoEF&CC to decide the optimum technology and associated costs, for phasing of implementation of different environment measures and to then approach CERC based on the approval of CEA and direction of MoEF&CC. MPL has approached CEA and MoEF&CC as per directions of CERC.

8.4.5. PETITION SEEKING CLARIFICATION ON METHODOLOGY OF AVAILABILITY

MPL has filed a miscellaneous petition before CERC seeking clarification on the methodology of computation of availability for generating stations where PPA with the beneficiaries is based on contracted capacity and not on government allocated percentages as in the case of central generating stations. The proceedings in the above matter have been completed in October 2016 and the order is reserved.

8.4.6. GRADE SLIPPAGE

CERC, in 2014 Regulations, changed the methodology of measurement of Gross Calorific Value (GCV) from 'as fired' to 'as received' basis. TPDDL had filed Petition before CERC against National Thermal Power Corporation (NTPC), Damodar Valley Corporation (DVC) and MPL for measurement of GCV in accordance with the 2014 Regulations. CERC passed directions laying down the procedure for measurement of GCV and CERC is examining the progress made by generating companies in compliance with its directions. MPL has filed affidavits listing out the existing procedure and seeking relaxation in the method prescribed by CERC. The matter is pending before CERC for orders.

8.5. POWERLINKS TRANSMISSION LIMITED (PTL)

8.5.1. TRUING-UP FOR FY10 TO FY13 FOR PTL

CERC, in May 2016, passed the true-up orders for FY10 to FY13 for transmission assets of PTL pertaining to eastern, northern and ER-NR inter-connector region. CERC, in the above order, had approved the annual transmission charges along with the transmission majoration factor for above period. However, CERC has directed its staff to examine the issue of transmission majoration factor and its impact to review the continuation of transmission majoration factor for subsequent years.

8.6. OTHER MATTERS

The Company has had a number of contracts with the M. Pallonji group of companies (MP) over last several years. These include contracts related to barging, dredging, shipping and contracts for painting of the Company's power stations at Trombay, hydros and Jojobera.

Some of the contracts were awarded long-term as new capital equipment had to be deployed and significant cost and logistics benefits would be achieved vis-à-vis the then prevalent arrangement to get coal to Trombay station.

The Company had followed the requisite processes in award of the contracts and necessary approvals from the Board Committees / Management have been taken as required as per the Schedule of Authorities prevailing at various times.

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/aboutus/pdf/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 Tata Power Group. Risk plans have been framed for all identified risks and uploaded in the system with mitigation action, target dates and responsibility. This has enabled continuous tracking of status of mitigation action and monitoring of Risk Mitigation Completion Index (RMCI). The Risk Register contains the mitigation plans for eleven categories of risk. Eight Functional Risk Management Committees (FRMCs) closely monitor and review the risk plans. This year, standardisation of risks and mitigation measures was taken up as an exercise to ensure uniformity of risks across Tata Power Group and learning and sharing.

All risks have been classified into strategic, tactical and operational risks. Apex Risk Management Committee (ARMC) meets every quarter to review major strategic and tactical risks, identify new risks and assess the status of mitigation measures. As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Risk Management Committee (RMC) was constituted which currently comprises 3 Independent Directors, 1 Executive Director, the Chief Financial Officer and the Chief Risk Officer. The RMC meets regularly to review critical strategic risks and summary of top risks of each of the eleven categories and their status in terms of mitigation actions. To increase focus on critical risk groups, all risks have been grouped into 20 risk themes.

In FY15, British Standards Institution (BSI) conferred the 'Statement of Compliance' on Tata Power for ISO 31000:2009 – a recognition that implies that the Company has strong processes for risk identification, management and mitigation. Tata Power is the first power company in India to get this recognition. In FY16, BSI did the assessment of Tata Power and its eight major subsidiaries (viz. CGPL, MPL, TPDDL, TPTCL, TPSSL, TPREL, PTL and IEL) and conferred the 'Statement of Compliance' for Tata Power Group for ISO 31000:2009. This year, Tata Power Group has again been recommended for conferring the Statement of Compliance, basis BSI's recent assessment in February 2017.

Internal financial controls and systems:

The Company has its internal audit function which endeavours to make meaningful contributions to the organisation's overall governance, risk management and internal controls. The function reviews and ensures sustained effectiveness of Internal Financial Controls (IFC) by adopting a systematic approach to its work.

As per the provisions of Section 177 of the Companies Act, 2013 (the Act) and the Audit Committee Charter adopted by the Board of Directors, one of the roles and responsibilities of the Audit Committee, is to review the effectiveness of the Company's internal control system, including financial controls, information technology security and its control.

Section 143(3) of the Act provides that the Statutory Auditor's Report shall state whether the Company has an adequate IFC system in place and the operating effectiveness of such controls, for FY16 and beyond.

As per Section 134 of the Act, Directors of listed companies, based on the representations received from the management, are to confirm in the Directors Responsibility Statement that IFC are adequate, as also operating effectively.

With this objective in mind and to fulfil the requirements of the Act, in FY16, the in-house internal audit team, with the support of two expert audit firms, performed the test of design and test of effectiveness of IFC. Scoping was done based on major classes of transactions and account balances. Seven key business cycles, general IT controls and Entity Level controls were considered for review.

The Internal Audit and Risk Management (IARM) function has generally adopted Committee of Sponsoring Organizations (COSO) framework. COSO is a leading framework which provides guidance on the design and evaluation of internal controls. This has been done for 5 elements and 17 principles, which provides assurance of financial controls in place at the level of functional heads and at top management level. This has helped in assessing the effectiveness and efficiency of operational controls, enhanced governance and consideration of anti-fraud expectations, reliability of financial reporting and statutory compliances. Attributes with internal control deficiencies are identified with action plans to be pursued, responsibility centres and target dates for compliances.

For the Business Process level, controls are evaluated through internal audits and Control Self-Assessment (CSA). These CSAs have also been rolled out across other Tata Power group companies too. The effectiveness of the IFC was then tested by an external consultant who found no significant deficiencies. Further, the statutory auditor, through their independent testing of IFC, has also issued an unmodified opinion.

All processes of the Company have been classified under vital, essential and desirable, based on the analysis of process impact on Company's Strategic Objectives. Post the audit, process is rated through the Risk Control Index and Process Robustness

Index given by the Internal Auditors. Also, theme based audits are carried out for certain areas impacted by changing external environment. Significant observations, including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. Post recognition of 'General Conformance to International Audit Standards' from Institute of Internal Auditors (IIA Global) in 2013, quality review of audit reports is carried out as per IIA global guidelines before the report is issued. Internal audit process has been standardized across the Tata Power group.

Internal audit plan is executed by an in-house audit team with support from expert Internal Audit firms. This risk based audit plan has been used for subsidiaries and other group companies as well. Your Company has also started its journey towards digitalization through enhanced data analysis on audits which will result in improved quality and focused audits.

Assessment mechanism for measuring the existence and effectiveness of controls are established by the fact that the Value Added Index, which is a measure of effectiveness and contribution of the internal audit to top management and Audit Committee, has improved over the years and so has the Risk Control Index (RCI), thereby giving assurance to management of efficiency and effectiveness of the IFC. The action taken statistics emerging out of internal audit reports for last three years reflect an increase in implementation percentage achieved through rigorous and systematic follow up. Further, the total number of action points has decreased over the last three years, thereby reflecting an improvement in the system and processes.

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 or commercial implications or material non-compliances which have not been acted upon.

Control Self-Assessment: The Company continued the CSA process this year, whereby responses of all process owners are used to assess internal controls in each process. It was also extended to seven other Tata Power group companies. This helps the Company to identify focus audit areas, design the audit plan and support CEO/CFO certification for internal controls. The CSA questionnaire is designed to test effectiveness of deployment of existing controls for processes which are not to be audited as per the audit plan. The responses received from process owners on the questionnaire are analysed and validated through spot audits. This ensures optimum coverage of audit universe to provide assurance on the operating effectiveness based on results of evaluation across all processes.

Process Robustness Index (PRI): The processes are examined to assess their robustness, primarily from the perspective of system driven controls (SAP, CRM, Documentum etc.), which ensures that deviations from the defined process do not occur due to manual errors. In case controls have not been embedded in the system, other compensating controls such as maker-checker are exercised to assess the robustness of the process. This index is computed on the basis of existence of robust controls and not on the basis of extent of implementation of these controls. Your Company has obtained a copyright for this PRI scoring methodology.

The scores for RCI and PRI for the past 3 years are listed below: *(Table 7)*

Scores	FY17	FY16	FY15
Risk control index (RCI)	92	91	88
Process robustness index (PRI)	52	44	40

11. SAFETY

Safety is a core value of the Company. The Company has adopted a structured approach towards implementation of Safety Policies and Programs and integrating safety with critical business processes 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 FY17: *(Table 8)*

Sl. No.	Safety Parameters in your Company's work jurisdiction (Tata Power, CGPL, MPL, IEL, CTTL, PTL, TPDDL and TPSSL)	FY17	FY16
1	Fatality (Number)	2	3
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.23	0.20
3	Total Injury Frequency Rate (No of injuries per million man hours)	4.67	5.16
4	First Aid Cases (Number)	190	325

The Company is deeply aggrieved by the fatalities and accidents. It treats any fatality in any of its premises, of any of its employees, contractor/associate's 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 taken the following additional steps in FY17 to improve safety:

- Coaching to further improve Felt Leadership at all levels
- Implemented the contractors' safety code of conduct to improve capability and capacity of contractors
- Structured Reward and Recognition Program which includes consequences and rewards in General Conditions of Contracts (GCC) for associates and contractors
- Enhanced Capability building through competency based training programs, at TPSDI's state of the art skill building schools, for high risk activities across all levels
- Improvements in the mobile application 'Suraksha' on safety for incident reporting
- High visibility safety tours by leadership
- Risk Based Audit program to evaluate implementation of standards and effectiveness of management system
- Implementation of SAP EHSM to integrate safety with business process

12. SUSTAINABILITY

Your Company successfully completed 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 of this was the various awards bestowed upon your Company. The Company has received a high rating of 'A' for its sustainability performance according to a new assessment done by Confederation of Indian Industry (CII). It is based on a comprehensive assessment of environmental, social and governance analysis of companies which helps them to measure performance as well as identify risks that challenge sustainability of their business.

The year also saw the launch of the Company's 7th Sustainability Report for FY16, and the first one to be prepared in accordance with the latest G4 Guidelines of the Global Reporting Initiative (GRI).

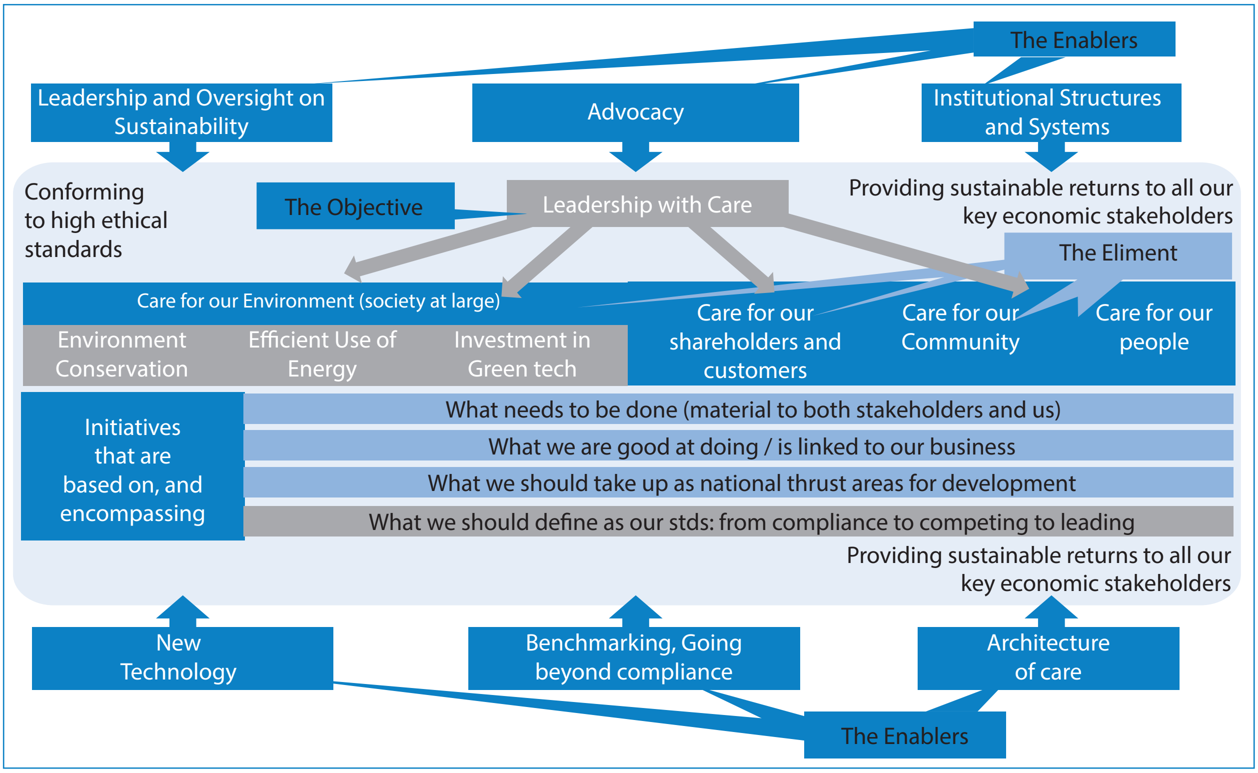


Fig. Tata Power Sustainability Model

12.1. CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

Your Company has actively worked on the key focus areas in Corporate Social Responsibility (CSR) of education, health, livelihood and employability, social capital and financial inclusivity, as well as rural energy.

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.

Your Company's standalone CSR spend for FY17 stood at ₹ 22.79 crore against the Companies Act requirement of ₹ 21.84 crore. Additionally, as a part of disaster relief operations, the Company contributed towards relief efforts in Assam. Besides this, 5 employees were selected to be trained as project managers to be deployed as part of Tata Group relief efforts.

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 Tata Power'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.

Annual report of 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 for youth (Industrial Training Institutes, Business Process Outsourcing training and Vocational Trainings), entrepreneurial programs like fly ash brick making/supporting Self Help Groups (SHG), and support for educational initiatives for school children like scholarships and coaching classes in the evenings along with assistance in the development of adequate infrastructure.

The Company continued its work in areas beyond its areas of operations, such as in Jawhar taluka, Palghar district of Maharashtra, which has a tribal population of over 90% of the total population with a vast majority of them 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 are responsible for the sustainable development of the village.

12.3. CARE FOR OUR ENVIRONMENT

The Company, during the year, 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 9.1.3

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.

Tata Power Club Enerji is a sustainability initiative aimed at creating awareness among school students, who in turn, sensitise their families and neighbourhood towards energy and resource conservation through dynamic and innovative measures. The current program is based on the four stage model of Educate (sensitise school children about energy conservation practices), Engage (empower energy champions to spread awareness amongst peers and the community), Enhance (enthuse schools to participate and contribute to Club Enerji initiatives) and Empower (create self-sustaining Mini Clubs that will lead the movement).

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. Club Enerji covers 500 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur, Lonavala and five more cities. It has reached out to more than 1.28 crore citizens, collectively saved 17.26 million units of electricity - equivalent to saving 17,000 tons of CO_2. All over India, 1,337 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.

Club Enerji & Greenolution was presented at IIM – Ahmedabad in Feb 2017 in a TEDx IIM Ahmedabad event held on the topic: "Driving Conservation by shaping the future generations".

12.5. DEMAND-SIDE MANAGEMENT

Your Company has been at the forefront of 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 society as a whole.

Industrial, commercial and residential consumers in the city have unique usage patterns. Under "Be Green" initiative, your Company gives an opportunity to Mumbai consumers to exchange their old, inefficient electrical appliances for new, 5 star rated energy efficient appliances at a discounted price. The Company has partnered with leading consumer appliance manufacturers for energy efficient equipment. The consumers appreciate these initiatives as it helps to reduce their energy cost by 30% to 50% without compromising on their comfort and convenience.

During this financial year, these programs received a good response and more than 13,000 energy efficient appliances (LED tube lights, ceiling fans, refrigerators and split ACs) have been distributed in FY17. HVAC Audit, Pump Audit, Power Quality Audit were carried out through Energy Audit program this year. These audits helped consumers to focus on the areas which offer the greatest scope for energy savings.

Your Company also facilitated the implementation of National-level Program (DELP/UJALA) which is being implemented by M/s. EESL, a Union Govt. Undertaking, and aims to increase the penetration of LED lighting technology in the residential sector. The DELP/UJALA program witnessed the distribution of more than 1.1 lakh LED bulbs for Tata Power consumers in Mumbai during FY17.

12.6. SUSTAINABILITY REPORTING

Your Company has adopted the latest Global Reporting Initiative (GRI) G4 guidelines to report on its sustainability performance. The report, prepared in accordance with the comprehensive criteria, is specific to the Indian operations of your Company viz. generation, transmission and distribution of power and highlights the sustainability performance of your Company. The Company's Sustainability Report is hosted on its website: *https://www.tatapower.com/sustainability/sustainability-communications.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 was 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 FY17 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective. The BRR is hosted on the Company website: *https://www.tatapower.com/investor-relations/brr.aspx* (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website).

12.8. INTEGRATED REPORTING (IR)

Your Company prides itself in making voluntary disclosures to keep its stakeholders fully informed on all aspects of its business. It has decided to take steps to further enhance the disclosures and information provided in its annual report in alignment with the Integrated Reporting <IR> framework by International Integrated Reporting Council (IIRC).

13. TRANSITION TO INDIAN ACCOUNTING STANDARDS

With effect from 1st April 2016, your Company was required to align its accounting policies and disclosures with new Indian Accounting Standards or IndAS. Consequently, the financial statements to be issued thereafter are different from those issued from the previous set. Apart from differences in the way assets, liabilities, income, expenses and losses are measured, even the disclosure requirements, as also the various statements comprising the financial report, have substantially changed.

The significant changes that have affected the net worth and the profits are on account of the following:

a) Effect of some erstwhile subsidiaries (IEL, PTL and Dugar Hydro) re-classified as Joint Ventures (JV) and change to Equity Accounting for JVs and reclassified subsidiaries. JVs and erstwhile subsidiaries were earlier consolidated on line by line basis;

b) Tata Power Jojobera Plant and IEL PPA arrangements categorized as Finance Lease, their assets derecognized and treated as Lease Receivables;

c) Fair valuation of current and non-current investments other than investments in subsidiaries, joint ventures and associates. However, certain unquoted investments in Tata group companies have been valued at cost as their fair value based on appropriate methodology is not materially different from their carrying cost;

d) Effective Interest Rate (EIR) Method adopted for Long term borrowings and debentures;

e) Fair valuation of forward and option contracts and IRS;

f) Preference shares considered as compound/debt instrument;

g) Consider Interest and Commission charges for Interest free loan and Guarantee issued to group companies;

h) Reversal of proposed dividend and Dividend Distribution Tax thereon;

i) Change in Deferred Tax computation from P & L approach to Balance Sheet approach;

j) De-recognition of Interest on Forex Loan Capitalized;

k) Revamping of the notes to the accounts and much more elaborate disclosures

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Ms. Anjali Bansal, Ms. Vibha Padalkar and Mr Sanjay V. Bhandarkar were appointed as Additional Directors of the Company with effect from 14th October 2016, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. They hold office only upto the date of the forthcoming Annual General Meeting (AGM) and a Notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose their appointment as Directors. They were also appointed as Independent Directors for a period of 5 years with effect from 14th October 2016 upto 13th October 2021, subject to approval of the Members at the ensuing AGM.

Mr. S. Padmanabhan was appointed as an Additional Director of the Company with effect from 16th December 2016, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. Mr. Padmanabhan 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 Director. Mr. Padmanabhan was nominated as Chairman of the Board of Directors of the Company with effect from 3rd January 2017, by Tata Sons Limited (TSL) pursuant to Article 164(b) of the Company's Articles of Association, where TSL has the right to nominate the Chairman of the Board of Directors of the Company. He continued as Chairman till 10th February 2017 and thereafter, continues as Non-Executive Director on the Company's Board.

Mr. N. Chandrasekaran was appointed as an Additional Director of the Company with effect from 11th February 2017, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. Mr. Chandrasekaran 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 Director. Mr. Chandrasekaran was also nominated as Chairman of the Board of Directors of the Company with effect from 11th February 2017, by TSL, pursuant to Article 164(b) of the Company's Articles of Association.

Mr. K. M. Chandrasekhar was appointed as an Additional Director of the Company with effect from 4th May 2017, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. Mr. Chandrasekhar 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 his appointment as Director. 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, subject to approval of the Members at the ensuing AGM.

Mr. Ashok S. Sethi was re-appointed as COO and Executive Director of the Company for a period commencing from 1st April 2017 till 30th April 2019. His re-appointment and the remuneration payable to him require approval of the Members at the ensuing AGM.

Mr. Cyrus P. Mistry, Non-Executive Chairman on your Company's Board, resigned as Director effective 19th December 2016. Consequently, Mr. Mistry ceased to be Chairman of the Board of Directors of the Company.

Consequent upon their completing 75 years of age, as required by the guidelines adopted by the Company for retirement of Non-Executive Directors, Mr. Piyush G. Mankad, Mr. Ashok K. Basu and Dr. Homiar S. Vachha, Independent Directors on your Company's Board, ceased to be Directors of the Company effective 18th November 2016, 24th March 2017 and 23rd April 2017, respectively.

The Board of Directors place on record their deep appreciation for the contribution of these Directors during their tenure.

In accordance with the requirements of the Act and the Company's Articles of Association, Ms. Sandhya S. Kudtarkar retires by rotation and is eligible for re-appointment.

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

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. Anil Sardana, 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

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

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board 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.

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 made a presentation to 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.

16. 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 reproduced in Annexure-III and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure-IV to this Report.

17. 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.

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website at *https://www.tatapower.com/aboutus/pdf/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.

18. CONSERVATION OF ENERGY, 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.

19. 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 is 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, a benchmarking exercise was undertaken in FY17 on compensation with the help of a global consultancy firm specializing in remuneration and compensation. The benchmarking was to understand the comparative position of remuneration of the Company's officers vis-à-vis officers in equivalent grades in ten key companies in the energy and power sector. As per this report, the median salary of officers at your Company in different grades was aligned to the market compensation.

20. 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 is uploaded on the Company's website: *https://www.tatapower.com/aboutus/pdf/policy-on-related-party-transactions.pdf* (scan the adjacent QR Code to read the details on the Company website). Details of Related Party Transactions as per AOC-2 are provided in Annexure-VII.

21. DEPOSITS

(Table 9)

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.*

22. 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.

23. 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.

24. AUDITORS

M/s Deloitte Haskins & Sells LLP (DHS LLP), who are the statutory auditors of your Company, hold office until the conclusion of this year's AGM. The Board has recommended appointment of S R B C & CO. LLP (SRBC), Chartered Accountants, as statutory auditors of the Company in place of DHS LLP, the existing auditors of the Company, for a period of 5 years from the conclusion of this 98th Annual General Meeting (AGM) held in 2017 till the conclusion of the 103rd AGM to be held in 2022. In this connection, the attention of the Members is invited for approval of Item No. 5 of the Notice, for appointment of Statutory Auditors.

Members will also be requested to pass a resolution (vide Item No.17 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.

25. 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.

The Auditor's Reports on the standalone and the consolidated financial statements contain the following qualification:

As described in Note 34 (b) and (c) to the standalone IndAS financial statements and Note 34 (ii) and (iii) to the consolidated Ind AS financial statements, the fair value of unquoted equity shares of Tata Teleservices Limited (TTSL) has not been determined as at 31st March, 2017. We are, therefore, unable to comment on whether the carrying value of:

a) Investments in TTSL of ₹ 384.88 crore represents the fair value of such investments as at 31st March 2017, and the consequent impact thereof on Other Comprehensive Income, and

b) 'Other advance', which represent TTSL shares receivable from DoCoMo under a contractual obligation of ₹ 138.55 crore as at 31st March, 2017 represents the fair value of such shares and the consequent impact thereof on the Statement of Profit and Loss.

Board's comments:

The valuation report in respect of investment in TTSL is available from the Company only as at 30th September 2016. The Auditors have qualified their report since TTSL was in the process of working out valuation as at 31st March 2017, when your Company's accounts were audited and adopted by the Board of Directors.

26. COST AUDITOR AND COST AUDIT REPORT

M/s Sanjay Gupta and Associates, Cost Accountants, were appointed Cost Auditors of your Company for FY17.

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 FY16, was filed on 30th August 2016 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 2016.

27. 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 FY17. 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.

28. CORPORATE GOVERNANCE

At Tata Power, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, not just to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as on the leadership and governance of the Company.

During the second half of the year under review, the Company witnessed a leadership change at Tata Sons Limited (our Promoter). During this period, there were allegations made regarding the ethics and governance of the Company. Clarifications were also sought by the Regulators with respect to certain business decisions and governance process.

We categorically deny these references and would like to impress upon you that your Company has the highest corporate governance standards, robust processes and a duly constituted and independent Board. Your Board exercises its independence both, in letter and spirit. Your Directors understand their fiduciary duties and have always acted in the best interests of the Company and will continue to do so. Equally, your Company has a professional and competent management to run the business. The Board compliments the management team in coping with the leadership transition seamlessly and in remaining steadfast towards achieving set objectives without getting distracted.

Further, during the course of the leadership transition, allegations were made with respect to certain contracts which had been awarded by the Company. In this regard, we would like to place on record the fact that after a careful consideration of the issues involved, the Audit Committee had requested the management to examine whether due process in award of contracts had been followed and necessary approvals had been sought from the concerned authorities, based on which the Audit Committee would decide next steps. The management had compiled the required information and submitted the required data to the Audit Committee. Based on the records, the current management has reviewed the old contracts awarded and confirmed that due process had been followed. The management has since then submitted to the Audit Committee a white paper on the subject, duly confirming that the Company has not been subjected to any commercial deterrent or loss, over the period of such contracts. The Audit Committee has now asked the (external) internal auditors of the Company to study the records and answer certain queries raised by the Audit Committee members. Findings are awaited from the internal auditor in this regard. Management is of the view that the allegations are incorrect.

Queries were also raised with regard to bidding and award of Mundra Project in 2006, which have been appropriately responded to.

The Company employed rigorous processes in preparation of all accounts/ financial statements including detailed review by the Board of Directors and the concerned Committees. The accounts and financial statements of the Company have also been reviewed by the statutory auditors. The Company reiterated that its annual reports, accounts and financial statements, as published from time to time, present a true and fair view of the state of affairs of the Company and its business and the Company has disclosed all material facts as required under applicable laws.

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 are included in the Annual Report.

29. 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 Counselor (CEC)/Chairman of the Audit Committee of the Company for redressal.

30. 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 FY17.

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures in the matter of valuation of certain unquoted investments and the adequacy of the provision for contractual obligation in the matter of NTT Docomo Inc.;

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;

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.

31. 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 Tata Power what it is.

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 19th May 2017

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 and 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 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 five thrust areas in CSR: • Primary education with focus on girl child • Health and Drinking Water • Livelihood and Employability • Social Capital and Infrastructure • Inclusive Growth 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 capability 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: https://www.tatapower.com/aboutus/pdf/csr-policy-14.pdf
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.	₹ 1,092 crore
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 21.84 crore
5.	Details of CSR spent during the financial year.	₹ 22.79 crore
(a)	Total amount to be spent for the financial year	₹ 21.84 crore
(b)	Amount unspent, if any	Nil
(c)	Manner in which the amount spent during the financial year is detailed below	

<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 31.03.2017) (₹ in lakh)</th><th>Amount spent: Direct or through implementing agency</th></tr>
<tr><td>i</td><td>Augmenting Primary Education System with emphasis on Girl Child Education (Focus Areas: E-Learning, Adult Literacy, Scholarships, Special Coaching, School Infrastructure, Mainstreaming drop-out students)</td><td>Promotion of Education</td><td rowspan="3">Local Areas:
• Maval, Mulshi (Hydros)
• Trombay, T&D License Area
• Jojobera
• Tiruldih, Naraj Marthapur
• Haldia
• Dehrand
• Gadag, Khandke
• Supa, Agaswadi
• Poolavadi
• Samana

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

Districts:
• Pune
• Mumbai
• Singhbhum East
• Saraikela-Kharsawan
• Cuttack
• Haldia
• Raigad
• Gadag
• Ahmednagar
• Satara
• Udumalpet
• Jamnagar</td><td>270</td><td>270</td><td>1,114</td><td rowspan="3">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>Building and Strengthening Health Care Facilities including Safe Drinking Water (Focus Areas: Mobile Health program, Behaviour Change Communication, Safe Drinking Water and Hygiene, Health Infrastructure, Women & Child Health Awareness)</td><td>Promoting Preventive healthcare and sanitation and making available safe drinking water</td><td>307</td><td>307</td><td>1,082</td></tr>
<tr><td>iii</td><td>Enhancing Program on Livelihood and 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>669</td><td>669</td><td>2,503</td></tr>
</table>

iv	Building Social Capital and Infrastructure (Focus Areas: Institution Building, Participatory Rural Development Works, Women empowerment training programs)	Rural development projects; Empowering Women		222	222	1,479	
v	Nurturing Sustainability for Inclusive Growth (Focus Areas: Rural Energy, Promoting Sports/ Games, Support in times of Natural Calamity, Tree plantation, Employee Volunteering)	Training to promote rural sports, nationally recognized sports; Socio-Economic Development, Club Enerji		365	460	1,167	
vi	Community Welfare-Others	Rural Development Projects		351	351	948	
	Total			**2,184**	**2,279**	**8,293**	

Key Highlights of the CSR Program

- The CSR programs had a coverage of 230 villages.
- 320 schools were covered benefitting 0.6 lakh school children.
- Health programs were implemented in 167 villages covering 1.17 lakh beneficiaries.
- Livelihood and Employability programs were run in 129 villages and 0.05 lakh residents covered.
- Social Capital and Infrastructure - 46 villages / 0.08 lakhs household covered.
- Nurturing sustainability covered 81 villages benefitting 0.42 lakh households.

Details of Education Initiatives:

- Gender ratio of the locations covered by TPCDT is 50% as compared to national average of 48%.
- Affirmative Action (AA) students covered during this financial year is 18% as compared to national average of 15%.
- In locations where education programs are ongoing, learning levels are showing positive trends among children primary schools.
- Special focus for improvements are being provided through remedial classes, e- learning and teacher training programs.

Details of Health and Water Initiatives:

- Integrated health approach with emphasis on tie up with government facilities has been implemented.
- Open Defecation Free Awareness Campaigns were organised at Jojobera covering nearly 5000 households.
- Promotion of Yoga and Meditation for improvement of mental and overall health has been undertaken.
- Community owned drinking water supply initiatives were initiated with sensitization on water, sanitation and hygiene; with focus on prevention campaign for vector borne and water borne diseases. This has resulted in 72% reduction in water borne diseases and 100% reduction in vector borne diseases in Dehrand.
- 164 awareness sessions on preventive health were also conducted to spread awareness about various diseases.
- Zero waste initiative in Ambujwadi was started through involvement of Women SHGs touching 1700 households.

Details of Livelihood and Employability Initiatives:

- Integrated agriculture initiatives at Maval, Jojobera, Mundra and Maithon covered 3371 beneficiaries having and implementation area of 3100 acres.
- Programs with emphasis on food security, reduction of input cost, waste land development were run through collective farming, horticulture and vegetable farming.
- As a benefit due to the programs, farmers in Maval recorded increase in yield by 35% per acre through system of Root Intensification technique.
- In Jojobera, a profit of ₹ 4.71 lakh was made on a 12 acre plot of land through collective farming in 2 cycles.
- Significant reduction in input cost by 20% and water usages by 65% for agriculture purpose was recorded at Mundra.
- Total 1047 youths were trained under skill development training which was 35% higher than previous year with a 77% increase in female trainees and a 4% increase in AA trainees as compared to previous year.
- 61% placements were recorded of the trained youth with 48% earning salary between ₹ 8,000/- to ₹ 11,000/-.

Social Capital and Financial Inclusivity:

- Total 537 Self Help Groups (SHG) were formed covering 6400 SHG members from 133 villages and a gross fund of ₹ 147 lakh was mobilized.
- 42% women members of SHG were trained in income generation activities.
- The women of SHGs supported each other during crisis situation by providing small loan facility at 1% per month as against 5% by local landlords. ₹ 76 lakh was raised for internal lending.
- ₹ 974 lakh of fund was mobilized through Government, community and other funding agencies.

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

Anjali Bansal
Chairperson, CSR Committee
(DIN: 00207746)

Anil Sardana
CEO & Managing Director
(DIN: 00006867)

Annexure – III : Policy on Board Diversity and Director Attributes

(Ref.: Board's Report, Section 16)

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 16)

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 `s, 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**
  - o 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.
  - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - o 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).
  - o 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.
  - o Overall remuneration practices should be consistent with recognized best practices.
  - o Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - o 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.
  - o 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.
  - o 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 (organised 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).

[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.

- 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 hospitalisation through re-imbursements 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.

Annexure – V: Conservation of Energy and Technology Absorption

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

A. CONSERVATION OF ENERGY

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

Your Company considers it important to manage the continuously rising 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 FY17. Over 17,500 consumers have opted for e-billing.

The Company also facilitated the implementation of National-level DELP / UJALA program in Mumbai. The DELP/UJALA program has witnessed the distribution of more than 1.1 lakh LED Bulbs for Tata Power consumers in Mumbai during FY17.

Your Company 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, following specific items are being pursued:

- Installation of clamp-on device on Wind Turbine Generators (WTG) for fine tuning orientation to wind direction to enhance power generation for the given set of parameters.
- Higher capacity WTGs to increase the total generation potential for a given site.
- Installation of remote monitoring system for WTG and solar assets for efficient operation and maintenance to increase generation for a given set of conditions.
- Reduction in auxiliary consumption using VFD in coal feeding system and LPBFP system at Trombay.
- Replacement of HPSV lamps and traditional tube lights by LED lamps and tubes in Haldia.
- At Maithon, in a section of internal roads, high masts and operational area of boiler and coal mill LED lights and solar lights have replaced conventional lamps resulting in substantial savings in energy consumption.
- Installation of solar powered warning lights for excavation barricades instead of DG sets to reduce emission as well as noise pollution.
- Plantation of aloe vera below solar modules to reduce effect of temperature on solar modules, thereby improving operational efficiency.

Also, to ensure optimum power use in new plants, the process of technical evaluation includes review of energy consumption which forces energy efficient equipment to be offered by bidders.

ii. The steps taken by the Company for utilising alternate sources of energy:

Your Company (including its subsidiaries) has nearly 30% of capacity (in MW terms) through clean and green sources (Hydro, Wind, Solar and Waste Heat Recovery). Capacity addition in renewable generation as well as increasing efficiency and availability of existing renewable assets, continue to be a focus area of your Company.

Your Company has developed kW Scale DDG Solutions such as:

- Small scale hydrokinetic turbine and evacuation to the grid for flowing water streams.
- Waste biomass based pellets for combustion and substitution of fire wood.
- Demonstrated heat pump for higher efficiency of energy use.
- Indigenization of multi-fuel steam generation system, indigenization of high efficiency gasification system.
- Ash Utilization - Fly ash based paint, geopolymeric cement.

iii. The capital investment on energy conservation equipment:

- Use of superior thermal technology like supercritical boilers at CGPL.
- Installation of 100 kW in-pipe micro hydro turbines at tail race of Bhivpuri hydro power station.
- Installation of energy meters in all critical 6.6 kV drives and transformers at Haldia station for choosing efficient combinations of drives and conserving energy.
- Provision of cooling water interconnection line has optimized the operation of cooling water pumps and has resulted in significant savings in auxiliary power consumption at IEL-Kalinganagar Station.

B. RESEARCH AND DEVELOPMENT

1	Specific area in which R&D carried out by the Company	• Electric breech opening device, end-to-end loading system, opto-electronics system payload and long range observation system and steer and drive-by-wire for 155/52cal howitzer. • Indigenous electric linear actuator and hand crankers for outriggers and swivelling type light weight jet deflector for mobile launcher system. • Dual axis antenna alignment unit and solar tracker. • Frequency hopping algorithm and associated synch methodology for radios. • FPGA based indigenous random number generator. • LTE base station, LTE UE stacks and SDR components. • Fog vision and driver's night vision system. • Fuel cells. • Artificial intelligence and big data based audio analytics solution for multiple languages. • Unmanned remote controlled turret and RWS using all electric drives for AFVs. • Thermal imaging engine, infra-red lens and multifunction hand held thermal imagers. • Battery management system inbuilt with algorithms for effective cell balancing and fast charging of the lithium iron phosphate batteries.
2	Benefits derived as a result of the above R&D	• Indigenous secure and trustworthy solutions for battlefield management system, tactical communication system, combat vehicles, gun programs and launcher program. • Tata Power's unique selling point in border surveillance programs for MoD (Ministry of Defence) and MHA (Ministry of Home Affairs) security projects. • Ability to address telecom market. • Products for clean energy market expedited by Ministry of New and Renewable Energy (MNRE). • Down selection for the make programs of tactical communication system, battlefield management system. • Defence Research and Development Organisation (DRDO) choosing SED as partner for Advanced Towed Artillery Gun System (ATAGS) development and successful engineering firing trials. Our gun was displayed in the Republic Day Parade 2017. • Successful Proof of Concept (POC) demos and No Cost – No Commitment (NC-NC) trials.
3	Future Plan of Action	• User trials and field deployment in various MoD, MHA and adjacent market programmes.

C. TECHNOLOGY ABSORPTION

1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	• Fly Ash based paint. • Indigenization of multi-fuel steam generation. • Geopolymeric cement from fly ash. • Utilization of ash in Composites. • Till last year, SED had filed 12 patents out of which 4 have been granted. In addition, 3 have been filed in FY17 of those innovations which have dual use.
2	Benefits derived as a result of the above efforts	• Help achieving goal of 100% ash utilisation. • Helps in 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 in defence system development and production.
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 ₹ 1.84 crore SED ₹ 127.04 crore b) Clean Tech ₹ 1.62 crore SED - Total ₹ 130.50 crore

GENERATION BUSINESS

- Design, fabrication installation and commissioning of 'power plant chimney painting robot' and usage of drone camera in boiler wall tube inspection in Trombay.
- Implemented tracking of coal logistics system by integrating RFID, GPS, traffic light and SAP systems, phased array testing of turbine blades and online condenser tube leak detection system to reduce downtime.
- Installed LiDar calibration instrument to correct the yaw angle misalignment and improve conversion efficiency of wind turbines.
- Modified Solar PV structures to have additional tilt angles and reduce pointing error for improving operational efficiency.
- Use of coal flame spectrum scanner technology to measure both Visible and Infrared spectrum, thereby increasing flame reliability at Jojobera.
- LPBP spray water logic modification was introduced at MPL which has resulted in significant reduction in auxiliary power consumption.
- Periodical online condenser back flushing process was introduced in Haldia to sustain condenser performance, leading to reduction in unscheduled outages and improvement in overall performance of the unit.
- Anti-tracking spray applied to exposed battery terminals to eliminate chances of electrical shock at battery terminals in Trombay and improving safety.
- Enhanced CCTV surveillance (with remote thermos-vision cameras) inside plant area for round the clock monitoring at Trombay.
- Use of non-explosive compounds for breaking clinker inside the boiler during scheduled outage at Trombay improving safety at site.

TRANSMISSION AND DISTRIBUTION BUSINESS

- To overcome space constraints in Mumbai, Tata Power has commissioned the first Multi Civic Amenities (MCA) substation of the city.
- First two tier distribution substation having ester filled power transformer on ground floor and HT & LT switchgear, auxiliaries on 2nd tier installed in Mumbai.
- Installation of tamper proof feeder pillars at slums to avoid illegal use for tapping of power supply
- Smart asset tracking using LoRA and RFID.
- Digitalization of business processes and customer integration achieved.

On behalf of the Board of Directors,

N. Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, 19th May 2017

Annexure – VI : Disclosure of Managerial Remuneration

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

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 (w.e.f. 11.02.2017)	N.A.
Mr. S. Padmanabhan (w.e.f. 16.12.2016)	1.39
Dr. Homiar S. Vachha	6.35
Mr. Nawshir H. Mirza	10.00
Mr. Deepak M. Satwalekar	8.74
Mr. Pravin H. Kutumbe	1.51
Ms. Sandhya S. Kudtarkar (w.e.f. 16.04.2016)	1.48
Ms. Anjali Bansal (w.e.f. 14.10.2016)	1.53
Ms. Vibha Padalkar (w.e.f. 14.10.2016)	2.24
Mr. Sanjay V. Bhandarkar (w.e.f. 14.10.2016)	1.29
Mr. Anil Sardana, CEO and Managing Director	74.17
Mr. Ashok S. Sethi, COO and Executive Director	30.38
Mr. Piyush G. Mankad (upto 17.11.2016)	2.67
Mr. Cyrus P. Mistry (upto 19.12.2016)	0.37
Mr. Ashok K. Basu (upto 23.03.2016)	1.94

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 (w.e.f. 11.02.2017)	N.A.
Mr. S. Padmanabhan (w.e.f. 16.12.2016)	N.A.
Dr. Homiar S. Vachha	-39
Mr. Nawshir H. Mirza	13
Mr. Deepak M. Satwalekar	-12
Mr. Pravin H. Kutumbe	76
Ms. Sandhya S. Kudtarkar (w.e.f. 16.04.2016)	N.A.
Ms. Anjali Bansal (w.e.f. 14.10.2016)	N.A.
Ms. Vibha Padalkar (w.e.f. 14.10.2016)	N.A.
Mr. Sanjay V. Bhandarkar (w.e.f. 14.10.2016)	N.A.
Mr. Anil Sardana, CEO and Managing Director (KMP)	19
Mr. Ashok S. Sethi, COO and Executive Director (KMP)	16
Mr. Piyush G. Mankad (upto 17.11.2016)	-38
Mr. Cyrus P. Mistry (upto 19.12.2016)	-24
Mr. Ashok K. Basu (upto 23.03.2016)	-39
Mr. Ramesh N. Subramanyam, Chief Financial Officer (KMP)	5
Mr. Hanoz M. Mistry, Company Secretary (KMP)	6

c) The percentage increase in the median remuneration of employees in the financial year: 9.85%

d) The number of permanent employees on the rolls of the company: 3,967

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 17.40%. For employees of Tata Power, the median increase was 9.85%.

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, 19th May 2017

Annexure – VII : Related Party Transactions

(Ref.: Board's Report, Section 20)

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 z4 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
Coastal Gujarat Power Limited (CGPL) (subsidiary)	Support to CGPL	One year	Waiver from charging any Interest / Commission on Shareholder Loan / Inter Corporate Deposit / Sub-debt and Corporate Guarantee / Share Pledge extended / to be extended for FY 17 by the Company to CGPL for availing debt facilities.	CGPL had been continuously making losses for the last three years since commencement of operations. This has eroded its net worth. CGPL was also in no position to bear this additional burden of interest / commission to Tata Power.	23.05.2016	Nil	N.A.
Mr. Anil Sardana, CEO and Managing Director (KMP)	Agreement with CEO and Managing Director	1st February 2016 to 31st January 2021	Terms and conditions of appointment and remuneration of Mr. Anil Sardana as CEO and Managing Director of the Company for the period from 1st February 2016 to 31st January 2021.	Agreement with CEO and Managing Director.	29.03.2016	Nil	N.A.

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
Forbes Technosys Limited	Annual Maintenance Contract (AMC) of 26 Kiosks and 25 i-Ball Tablets	One year	AMC of 26 Kiosks amounting to ₹ 3.08 lakh (excluding taxes). AMC of 25 i-Ball Tablets amounting to ₹ 57,000 (excluding taxes).	With a view to maintain the machines embedded in Consumer Interface Kiosks, AMC was required to be placed on OEM. The user division was highly satisfied with the upkeep of these tablets.	29.11.2016	Nil	N.A.
Mr. Anil Sardana, CEO and Managing Director (KMP)	Leave and Licence Agreement	Long term effective 1st April 2016	Leave and License Agreement with CEO and Managing Director for using the Company's premises for his residential purposes.	Leave and License Agreement with CEO and Managing Director for using the Company's premises for his residence.	29.11.2016	Nil	N.A.

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, 19th May 2017

Annexure – VIII : Extract of Annual Return

(Ref.: Board's Report, Section 23)

FORM No.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN: 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	75%

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	Chemical Terminal Trombay Ltd. Pir Pav Installation, Near MbPT Pump House, Behind Tata Power Company Unit 5, Chembur, Mumbai 400 074	U63020MH1970PLC014572	Subsidiary	100	Section 2(87)
2	Af-Taab Investment Co. Ltd. Corporate Centre, B Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U65990MH1979PLC021037	Subsidiary	100	Section 2(87)
3	Tata Power Trading Co. Ltd. Carnac Receiving Station, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40100MH2003PLC143770	Subsidiary	100	Section 2(87)
4	Powerlinks Transmission Ltd. 10th Floor, DLF Tower-A, District Center-Jasola, New Delhi 110 025	U40105DL2001PLC110714	Subsidiary	51	Section 2(87)
5	Maithon Power Ltd. Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U74899MH2000PLC267297	Subsidiary	74	Section 2(87)
6	NELCO Ltd. MIDC, Plot No. EL 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai 400 710	L32200MH1940PLC003164	Subsidiary	50.04	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
7	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)
8	Nelco Network Products Ltd. EL-6, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710	U32309MH2016PLC285693	Subsidiary	50.04	Section 2(87)
9	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)
10	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)
11	Tata Power Delhi Distribution Ltd. NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	U40109DL2001PLC111526	Subsidiary	51	Section 2(87)
12	NDPL Infra Ltd. Jeevan Bharati Tower #1, 10th Floor, 124, Connaught Circus, New Delhi 110 001	U40106DL2011PLC223982	Subsidiary	51	Section 2(87)
13	Coastal Gujarat Power Ltd. 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40102MH2006PLC182213	Subsidiary	100	Section 2(87)
14	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)
15	Tata Power Green Energy Ltd. B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2011PLC211851	Subsidiary	100	Section 2(87)
16	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)
17	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)
18	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)
19	Indo Rama Renewables Jath Ltd. H No.513, Sector 22, Gurgaon 122 015	U40300HR2012PLC046057	Subsidiary	100	Section 2(87)
20	Vagarai Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2017PLC291708	Subsidiary	100	Section 2(87)
21	Welspun Renewables Energy Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40103MH2009PTC197021	Subsidiary	100	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
22	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)
23	Dreisatz Mysolar 24 Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40102DL2009PTC195082	Subsidiary	73.60	Section 2(87)
24	MI Mysolar24 Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40106DL2009PTC195090	Subsidiary	74	Section 2(87)
25	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)
26	Solarsys Renewable Energy Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U74999DL2004PTC131074	Subsidiary	72.50	Section 2(87)
27	Unity Power Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40104MH2008PTC184134	Subsidiary	74	Section 2(87)
28	Viraj Renewables Energy Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40105MH2010PTC202097	Subsidiary	100	Section 2(87)
29	Welspun Energy Jharkhand Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2010PTC209615	Subsidiary	100	Section 2(87)
30	Welspun Energy Maharashtra Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2006PTC165673	Subsidiary	100	Section 2(87)
31	Welspun Energy Rajasthan Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40108DL2006PTC274219	Subsidiary	100	Section 2(87)
32	Welspun Solar AP Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40109MH2008PTC178769	Subsidiary	100	Section 2(87)
33	Welspun Solar Kannada Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2012PTC233418	Subsidiary	100	Section 2(87)
34	Welspun Solar Madhya Pradesh Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40106MH2010PTC206275	Subsidiary	100	Section 2(87)
35	Welspun Solar Punjab Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40300DL2010PTC274220	Subsidiary	100	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
36	Welspun Solar Rajasthan Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40105MH2010PTC206475	Subsidiary	100	Section 2(87)
37	Welspun Solar Tech Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40106DL2010PTC277364	Subsidiary	100	Section 2(87)
38	Welspun Solar UP Pvt. Ltd. c/o The Tata Power Co. Ltd., Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2011PTC213470	Subsidiary	100	Section 2(87)
39	Welspun Urja Gujarat Pvt. Ltd. C-14, Lower Ground Floor, Chirag Enclave, Greater Kailash - 1, New Delhi 110 048	U40300DL2010PTC282627	Subsidiary	100	Section 2(87)
40	Welspun 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)
41	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)
42	Tata Power Solar Systems Ltd. Plot No.78, Electronic City, Hosur Road, Bengaluru 560 100	U40106KA1989PLC034989	Subsidiary	100	Section 2(87)
43	Chirasthayee Saurya Limited No.78, Electronic City, Hosur Road, Bangalore 560 100	U40101KA2016PLC094100	Subsidiary	100	Section 2(87)
44	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)
45	Tata Ceramics Ltd. 26 Cochin Special Economic Zone, Kakkanaad, Ernakulam 682 037	U26933KL1991PLC006018	Subsidiary	57.07	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	94.61	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
52	Tata Power International Pte. Ltd. 78 Shenton Way, 17-01/02, Singapore 079120	Not applicable, foreign company	Subsidiary	100	Section 2(87)
53	Tubed Coal Mines Ltd. Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030	U10100MH2007PLC174466	Associate	40	Section 2(6)
54	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)
55	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)
56	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)
57	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)
58	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)
59	Yashmun Engineers Ltd. Dharavi Road, Next to MSEB, Matunga, Mumbai 400 019	U29100MH1966PLC006109	Associate	27.27	Section 2(6)
60	Panatone Finvest Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U67120MH1992PLC066160	Associate	39.98	Section 2(6)
61	Tata Projects Ltd. Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad, Hyderabad 500 003	U45203TG1979PLC057431	Associate	47.78	Section 2(6)
62	The Associated Building Co. Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U45200MH1921PLC000866	Associate	33.14	Section 2(6)
63	Brihat Trading Pvt. Ltd. Bank of Baroda Building, Bombay Samachar Marg, Mumbai 400 001	U51900MH1988PTC049926	Associate	33.21	Section 2(6)
64	Nelito Systems Ltd. 205-208, Millennium Business Park, Building 2, Sector 1, Mahape, Navi Mumbai 400 701	U72900MH1995PLC088816	Associate	28.15	Section 2(6)
65	Cennergi Pty. Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
66	Tsitsikamma Community Wind Farm (Pty.) Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
67	Amakhala Emoyeni RE Project 1 (Pty.) Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
68	PT Mitratama Perkasa Gedung Gelael – Jl. Falatehan No. 35-36, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
69	PT Mitratama Usaha Gedung Gelael – Jl. Falatehan No. 35-36, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)
70	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)
71	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)
72	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)
73	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)
74	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)
75	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)
76	Dagachhu Hydro Power Corporation Ltd. Khebisa, Dzongkhang: Dagana, Bhutan	Not applicable, foreign company	Associate	26	Section 2(6)
77	Candice Investments Pte. Ltd. 60 Paya Lebar Road, #08-43 Paya Lebar Square, Singapore 409051	Not applicable, foreign company	Associate	30	Section 2(6)
78	PT Nusa Tambang Pratama Menara Anugrah, 12th Floor 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)
79	PT Marvel Capital Indonesia Gedung Gelael, Jl. Falatehan I No.34-36, Kebayoran Baru, Jakarta Selatan 12160, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
80	PT Dwikarya Prima Abadi Gedung Gelael, Jl. Falatehan I No.34-36, Kebayoran Baru, Jakarta Selatan 12160, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
81	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)
82	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)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held *	Applicable Section
83	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)
84	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)
85	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)
86	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)
87	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)
88	Adjaristsqali Georgia LLC 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
89	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)
90	Koromkheti Georgia L.L.C 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
91	Itezhi Tezhi Power Corporation Ltd. Plot 3039, Makishi Road, Fairview Area, Lusaka, Zambia	Not applicable, foreign company	Associate	50	Section 2(6)
92	Resurgent Power Ventures Pte. Ltd. 1 Raffles Place, #13-01, One Raffles Place, Singapore 048616	Not applicable, foreign company	Associate	26	Section 2(6)
93	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 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% 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) Banks/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									
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	7,80,54,598	1,74,420	7,82,29,018	2.89	9,29,81,480	1,74,420	9,31,55,900	3.44	0.55
b) Banks/FI	1,57,48,271	4,86,062	1,62,34,333	0.60	1,56,36,027	4,85,062	1,61,21,089	0.60	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	33,96,609	2,52,560	36,49,169	0.13	32,24,109	2,52,560	34,76,669	0.13	-0.01
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	56,43,26,627	30,400	56,43,57,027	20.87	52,40,17,593	30,400	52,40,47,993	19.37	-1.49
g) FIIs	44,84,03,498	68,980	44,84,72,478	16.58	5,42,06,853	68,980	5,42,75,833	2.01	-14.57
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
i-i) Foreign Portfolio Investors (Corporate)	26,03,21,434	0	26,03,21,434	9.63	68,29,82,768	0	68,29,82,768	25.25	15.63
i-ii) Foreign Nationals - DR	2,82,200	0	2,82,200	0.01	2,82,200	0	2,82,200	0.01	0.00
i-iii) Foreign Bodies - DR	9,09,437	0	9,09,437	0.03	14,75,797	0	14,75,797	0.05	0.02
i-iv) Foreign Institutional Investors - DR	0	0	0	0.00	36,900	0	36,900	0.00	0.00
Sub-Total (B) (1):	**1,37,14,42,674**	**10,12,422**	**1,37,24,55,096**	**50.74**	**1,37,48,43,727**	**10,11,422**	**1,37,58,55,149**	**50.87**	**0.12**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	2,11,98,951	17,22,947	2,29,21,898	0.85	4,35,32,409	12,03,907	4,47,36,316	1.65	0.81
ii) Overseas	4,000	6,400	10,400	0.00	4,000	6,400	10,400	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	31,94,67,977	5,99,81,549	37,94,49,526	14.03	29,39,91,455	5,73,98,197	35,13,89,652	12.99	-1.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,63,44,169	14,91,480	2,78,35,649	1.03	2,43,40,372	13,79,580	2,57,19,952	0.95	-0.08
c) Others (specify)									
Trust	47,30,203	11,100	47,41,303	0.18	1,04,95,373	11,100	1,05,06,473	0.39	0.21
Directors & their relatives	93,560	0	93,560	0.00	36,862	0	36,862	0.00	0.00
Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):	**37,18,38,860**	**6,32,13,476**	**43,50,52,336**	**16.09**	**37,24,00,471**	**5,99,99,184**	**43,23,99,655**	**15.99**	**-0.10**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,74,32,81,534**	**6,42,25,898**	**1,80,75,07,432**	**66.83**	**1,74,72,44,198**	**6,10,10,606**	**1,80,82,54,804**	**66.85**	**0.02**
TOTAL (A)+(B)	**2,63,64,82,000**	**6,42,25,898**	**2,70,07,07,898**	**99.86**	**2,64,04,44,664**	**6,10,10,606**	**2,70,14,55,270**	**99.88**	**0.02**
C. Shares held by Custodians for GDR & ADRs	39,20,200	1,300	39,21,500	0.14	33,16,940	1,300	33,18,240	0.12	-0.02
GRAND TOTAL (A)+(B)+(C)	**2,64,04,02,200**	**6,42,27,198**	**2,70,46,29,398**	**100.00**	**2,64,37,61,604**	**6,10,11,906**	**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 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% 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	1.68	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	Sheba Properties 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**	**1.68**	**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 01.04.2016)		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
				31.03.2017	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
				31.03.2017	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
				31.03.2017	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
				31.03.2017	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
				31.03.2017	At the end of the year	-	-	22,29,657	0.08

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
6	Sheba Properties Limited *	9,120	0.00					9,120	0.00
				-	No change	0	0.00	9,120	0.00
				31.03.2017	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
				31.03.2017	At the end of the year	-	-	5,72,880	0.02
8	Sir Ratan Tata Trust *	70,160	0.00					70,160	0.00
				-	No change	0	0.00	70,160	0.00
				31.03.2017	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
				31.03.2017	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 01.04.2016)		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	36,98,66,780	13.68					36,98,66,780	13.67
				19.08.2016	Sale of Shares	-2,222	0.00	36,98,64,558	13.67
				08.09.2016	Sale of Shares	-19,00,000	-0.07	36,79,64,558	13.60
				09.09.2016	Sale of Shares	-15,00,000	-0.06	36,64,64,558	13.55
				14.09.2016	Sale of Shares	-10,00,000	-0.04	36,54,64,558	13.51
				16.09.2016	Sale of Shares	-7,20,847	-0.03	36,47,43,711	13.49
				21.09.2016	Sale of Shares	-25,00,000	-0.09	36,22,43,711	13.39
				23.09.2016	Sale of Shares	-25,16,298	-0.09	35,97,27,413	13.30
				30.09.2016	Sale of Shares	-47,81,547	-0.18	35,49,45,866	13.12
				07.10.2016	Sale of Shares	-23,00,000	-0.09	35,26,45,866	13.04
				28.10.2016	Sale of Shares	-73,487	0.00	35,25,72,379	13.04
				03.02.2017	Sale of Shares	-2,000	0.00	35,25,70,379	13.04
				10.02.2017	Sale of Shares	-1,00,000	0.00	35,24,70,379	13.03
				03.03.2017	Sale of Shares	-34,94,471	-0.13	34,89,75,908	12.90
				10.03.2017	Sale of Shares	-88,84,415	-0.33	34,00,91,493	12.57
				17.03.2017	Sale of Shares	-49,85,755	-0.18	33,51,05,738	12.39
				24.03.2017	Sale of Shares	-26,35,359	-0.10	33,24,70,379	12.29
				31.03.2017	Sale of Shares	-2,25,000	-0.01	33,22,45,379	12.28
				31.03.2017	At the end of the year	-	-	33,22,45,379	12.28

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
2	Matthews Pacific Tiger Fund	16,56,20,436	6.12					16,56,20,436	6.12
				07.10.2016	Purchase of Shares	33,91,793	0.13	16,90,12,229	6.25
				14.10.2016	Purchase of Shares	6,08,207	0.02	16,96,20,436	6.27
				21.10.2016	Purchase of Shares	9,43,752	0.03	17,05,64,188	6.31
				04.11.2016	Purchase of Shares	10,56,248	0.04	17,16,20,436	6.35
				03.03.2017	Sale of Shares	-2,94,753	-0.01	17,13,25,683	6.33
				10.03.2017	Sale of Shares	-32,05,247	-0.12	16,81,20,436	6.22
				24.03.2017	Sale of Shares	-35,00,000	-0.13	16,46,20,436	6.09
				31.03.2017	At the end of the year	-	-	16,46,20,436	6.09
3	First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund	8,78,45,474	3.25					8,78,45,474	3.25
				22.04.2016	Purchase of Shares	52,35,308	0.19	9,30,80,782	3.44
				18.11.2016	Purchase of Shares	3,10,777	0.01	9,33,91,559	3.45
				23.11.2016	Purchase of Shares	19,41,949	0.07	9,53,33,508	3.52
				25.11.2016	Purchase of Shares	17,04,424	0.06	9,70,37,932	3.59
				02.12.2016	Purchase of Shares	13,28,939	0.05	9,83,66,871	3.64
				31.03.2017	At the end of the year	-	-	9,83,66,871	3.64
4	General Insurance Corporation of India	6,81,76,404	2.52					6,81,76,404	2.52
				10.03.2017	Sale of Shares	-2,13,444	-0.01	6,79,62,960	2.51
				17.03.2017	Sale of Shares	-2,00,000	-0.01	6,77,62,960	2.51
				31.03.2017	At the end of the year	-	-	6,77,62,960	2.51
5	The New India Assurance Company Limited	6,89,54,953	2.55					6,89,54,953	2.55
				13.05.2016	Sale of Shares	-1,00,000	0.00	6,88,54,953	2.55
				20.05.2016	Sale of Shares	-6,00,000	-0.02	6,82,54,953	2.52
				03.06.2016	Sale of Shares	-4,00,000	-0.01	6,78,54,953	2.51
				10.06.2016	Sale of Shares	-4,00,000	-0.01	6,74,54,953	2.49
				09.09.2016	Sale of Shares	-30,000	0.00	6,74,24,953	2.49
				14.09.2016	Sale of Shares	-60,000	0.00	6,73,64,953	2.49
				16.09.2016	Sale of Shares	-1,05,000	0.00	6,72,59,953	2.49
				21.09.2016	Sale of Shares	-2,25,000	-0.01	6,70,34,953	2.48
				23.09.2016	Sale of Shares	-80,000	0.00	6,69,54,953	2.48
				31.03.2017	At the end of the year	-	-	6,69,54,953	2.48
6	ICICI Prudential Balanced Fund	1,77,63,198	0.66					1,77,63,198	0.66
				08.04.2016	Sale of Shares	-15,12,452	-0.06	1,62,50,746	0.60
				15.04.2016	Sale of Shares	-11,83,084	-0.04	1,50,67,662	0.56
				22.04.2016	Sale of Shares	-4,96,000	-0.02	1,45,71,662	0.54
				22.04.2016	Purchase of Shares	4,876	0.00	1,45,76,538	0.54
				29.04.2016	Purchase of Shares	477	0.00	1,45,77,015	0.54
				06.05.2016	Sale of Shares	-4,72,622	-0.02	1,41,04,393	0.52
				06.05.2016	Purchase of Shares	4,96,000	0.02	1,46,00,393	0.54
				13.05.2016	Sale of Shares	-25,12,500	-0.09	1,20,87,893	0.45
				13.05.2016	Purchase of Shares	12,56,678	0.05	1,33,44,571	0.49
				20.05.2016	Sale of Shares	-3,41,173	-0.01	1,30,03,398	0.48

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
				27.05.2016	Sale of Shares	-2,988	0.00	1,30,00,410	0.48
				27.05.2016	Purchase of Shares	3,202	0.00	1,30,03,612	0.48
				03.06.2016	Purchase of Shares	249	0.00	1,30,03,861	0.48
				10.06.2016	Purchase of Shares	498	0.00	1,30,04,359	0.48
				17.06.2016	Sale of Shares	-2,10,173	-0.01	1,27,94,186	0.47
				17.06.2016	Purchase of Shares	3,498	0.00	1,27,97,684	0.47
				24.06.2016	Purchase of Shares	750	0.00	1,27,98,434	0.47
				30.06.2016	Sale of Shares	-10,91,932	-0.04	1,17,06,502	0.43
				30.06.2016	Purchase of Shares	1,500	0.00	1,17,08,002	0.43
				01.07.2016	Sale of Shares	-6,52,665	-0.02	1,10,55,337	0.41
				08.07.2016	Purchase of Shares	1,297	0.00	1,10,56,634	0.41
				15.07.2016	Sale of Shares	-6,22,366	-0.02	1,04,34,268	0.39
				22.07.2016	Sale of Shares	-9,75,351	-0.04	94,58,917	0.35
				22.07.2016	Purchase of Shares	4,750	0.00	94,63,667	0.35
				29.07.2016	Purchase of Shares	10,02,000	0.04	1,04,65,667	0.39
				05.08.2016	Purchase of Shares	4,003	0.00	1,04,69,670	0.39
				12.08.2016	Sale of Shares	-19,250	0.00	1,04,50,420	0.39
				12.08.2016	Purchase of Shares	76,00,000	0.28	1,80,50,420	0.67
				19.08.2016	Purchase of Shares	31,06,963	0.11	2,11,57,383	0.78
				26.08.2016	Purchase of Shares	15,94,986	0.06	2,27,52,369	0.84
				02.09.2016	Sale of Shares	-624	0.00	2,27,51,745	0.84
				02.09.2016	Purchase of Shares	4,76,805	0.02	2,32,28,550	0.86
				08.09.2016	Sale of Shares	-1,750	0.00	2,32,26,800	0.86
				09.09.2016	Sale of Shares	-2,000	0.00	2,32,24,800	0.86
				14.09.2016	Purchase of Shares	1,250	0.00	2,32,26,050	0.86
				16.09.2016	Sale of Shares	-13,561	0.00	2,32,12,489	0.86
				16.09.2016	Purchase of Shares	2,750	0.00	2,32,15,239	0.86
				21.09.2016	Sale of Shares	-1,80,000	-0.01	2,30,35,239	0.85
				21.09.2016	Purchase of Shares	1,51,527	0.01	2,31,86,766	0.86
				23.09.2016	Sale of Shares	-750	0.00	2,31,86,016	0.86
				23.09.2016	Purchase of Shares	40,21,001	0.15	2,72,07,017	1.01
				30.09.2016	Sale of Shares	-79,38,000	-0.29	1,92,69,017	0.71
				30.09.2016	Purchase of Shares	38,40,250	0.14	2,31,09,267	0.85
				07.10.2016	Sale of Shares	-18	0.00	2,31,09,249	0.85
				07.10.2016	Purchase of Shares	50,98,442	0.19	2,82,07,691	1.04
				14.10.2016	Purchase of Shares	9,699	0.00	2,82,17,390	1.04
				21.10.2016	Purchase of Shares	3,750	0.00	2,82,21,140	1.04
				04.11.2016	Sale of Shares	-1,50,116	-0.01	2,80,71,024	1.04
				04.11.2016	Purchase of Shares	4,06,250	0.02	2,84,77,274	1.05
				11.11.2016	Purchase of Shares	2,35,625	0.01	2,87,12,899	1.06
				18.11.2016	Purchase of Shares	15,43,382	0.06	3,02,56,281	1.12
				23.11.2016	Purchase of Shares	68,891	0.00	3,03,25,172	1.12
				25.11.2016	Purchase of Shares	769	0.00	3,03,25,941	1.12
				02.12.2016	Sale of Shares	-87	0.00	3,03,25,854	1.12
				02.12.2016	Purchase of Shares	38,40,318	0.14	3,41,66,172	1.26
				09.12.2016	Sale of Shares	-3,60,826	-0.01	3,38,05,346	1.25

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
				09.12.2016	Purchase of Shares	48,913	0.00	3,38,54,259	1.25
				16.12.2016	Purchase of Shares	3,000	0.00	3,38,57,259	1.25
				19.12.2016	Purchase of Shares	1,500	0.00	3,38,58,759	1.25
				23.12.2016	Purchase of Shares	6,261	0.00	3,38,65,020	1.25
				31.12.2016	Purchase of Shares	12,74,367	0.05	3,51,39,387	1.30
				06.01.2017	Sale of Shares	-1,000	0.00	3,51,38,387	1.30
				06.01.2017	Purchase of Shares	601	0.00	3,51,38,988	1.30
				13.01.2017	Purchase of Shares	3,750	0.00	3,51,42,738	1.30
				20.01.2017	Sale of Shares	-32,65,781	-0.12	3,18,76,957	1.18
				20.01.2017	Purchase of Shares	31,78,720	0.12	3,50,55,677	1.30
				27.01.2017	Purchase of Shares	26,72,218	0.10	3,77,27,895	1.39
				03.02.2017	Sale of Shares	-500	0.00	3,77,27,395	1.39
				03.02.2017	Purchase of Shares	5,44,889	0.02	3,82,72,284	1.41
				10.02.2017	Purchase of Shares	7,19,710	0.03	3,89,91,994	1.44
				17.02.2017	Purchase of Shares	22,16,789	0.08	4,12,08,783	1.52
				24.02.2017	Sale of Shares	-22,17,758	-0.08	3,89,91,025	1.44
				24.02.2017	Purchase of Shares	15,50,669	0.06	4,05,41,694	1.50
				03.03.2017	Sale of Shares	-21,22,592	-0.08	3,84,19,102	1.42
				03.03.2017	Purchase of Shares	28,80,000	0.11	4,12,99,102	1.53
				10.03.2017	Sale of Shares	-3,431	0.00	4,12,95,671	1.53
				10.03.2017	Purchase of Shares	84,62,172	0.31	4,97,57,843	1.84
				17.03.2017	Sale of Shares	-11,500	0.00	4,97,46,343	1.84
				17.03.2017	Purchase of Shares	25,33,881	0.09	5,22,80,224	1.93
				24.03.2017	Sale of Shares	-17,02,917	-0.06	5,05,77,307	1.87
				24.03.2017	Purchase of Shares	17,31,408	0.06	5,23,08,715	1.93
				31.03.2017	Purchase of Shares	25,06,019	0.09	5,48,14,734	2.03
				31.03.2017	At the end of the year	-	-	5,48,14,734	2.03
7	Stewart Investors Global Emerging Markets Leaders Fund	2,29,85,734	0.85					2,29,85,734	0.85
				26.08.2016	Purchase of Shares	19,85,465	0.07	2,49,71,199	0.92
				02.09.2016	Purchase of Shares	11,58,000	0.04	2,61,29,199	0.97
				21.10.2016	Purchase of Shares	5,14,767	0.02	2,66,43,966	0.99
				28.10.2016	Purchase of Shares	16,84,950	0.06	2,83,28,916	1.05
				04.11.2016	Purchase of Shares	27,46,946	0.10	3,10,75,862	1.15
				18.11.2016	Purchase of Shares	1,02,118	0.00	3,11,77,980	1.15
				23.11.2016	Purchase of Shares	6,38,104	0.02	3,18,16,084	1.18
				25.11.2016	Purchase of Shares	5,60,056	0.02	3,23,76,140	1.20
				02.12.2016	Purchase of Shares	4,36,676	0.02	3,28,12,816	1.21
				31.03.2017	At the end of the year	-	-	3,28,12,816	1.21

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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	M Pallonji & Co. Pvt. Ltd.	0	0.00					0	0.00
				13.05.2016	Purchase of Shares	572	0.00	572	0.00
				16.12.2016	Purchase of Shares	1,28,31,499	0.47	1,28,32,071	0.47
				19.12.2016	Purchase of Shares	1,29,36,304	0.48	2,57,68,375	0.95
				23.12.2016	Sale of Shares	-2,57,68,375	-0.95	0	0.00
				23.12.2016	Purchase of Shares	2,57,68,375	0.95	2,57,68,375	0.95
				13.01.2017	Purchase of Shares	200	0.00	2,57,68,575	0.95
				10.02.2017	Sale of Shares	-11,262	0.00	2,57,57,313	0.95
				24.03.2017	Sale of Shares	-3,00,000	-0.01	2,54,57,313	0.94
				31.03.2017	At the end of the year	-	-	2,54,57,313	0.94
9	First State Investments Global Emerging Markets Leaders Fund, A Sub-Fund of The First State Investments Delaware Statutory Trust	82,37,784	0.30					82,37,784	0.30
				12.08.2016	Purchase of Shares	9,39,028	0.03	91,76,812	0.34
				19.08.2016	Purchase of Shares	16,794	0.00	91,93,606	0.34
				26.08.2016	Purchase of Shares	19,60,761	0.07	1,11,54,367	0.41
				07.10.2016	Purchase of Shares	29,00,029	0.11	1,40,54,396	0.52
				14.10.2016	Purchase of Shares	4,03,432	0.01	1,44,57,828	0.53
				21.10.2016	Purchase of Shares	3,29,527	0.01	1,47,87,355	0.55
				28.10.2016	Purchase of Shares	10,78,617	0.04	1,58,65,972	0.59
				04.11.2016	Purchase of Shares	17,58,454	0.07	1,76,24,426	0.65
				18.11.2016	Purchase of Shares	64,689	0.00	1,76,89,115	0.65
				23.11.2016	Purchase of Shares	4,04,218	0.01	1,80,93,333	0.67
				25.11.2016	Purchase of Shares	3,54,778	0.01	1,84,48,111	0.68
				02.12.2016	Purchase of Shares	2,76,620	0.01	1,87,24,731	0.69
				31.03.2017	At the end of the year	-	-	1,87,24,731	0.69
10	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	1,59,09,748	0.59					1,59,09,748	0.59
				08.04.2016	Purchase of Shares	53,956	0.00	1,59,63,704	0.59
				22.04.2016	Purchase of Shares	42,460	0.00	1,60,06,164	0.59
				10.06.2016	Purchase of Shares	96,784	0.00	1,61,02,948	0.60
				24.06.2016	Purchase of Shares	1,76,088	0.01	1,62,79,036	0.60
				22.07.2016	Purchase of Shares	44,496	0.00	1,63,23,532	0.60
				29.07.2016	Purchase of Shares	1,19,178	0.00	1,64,42,710	0.61
				05.08.2016	Purchase of Shares	61,865	0.00	1,65,04,575	0.61
				12.08.2016	Purchase of Shares	90,945	0.00	1,65,95,520	0.61
				19.08.2016	Purchase of Shares	1,29,344	0.00	1,67,24,864	0.62
				08.09.2016	Purchase of Shares	52,260	0.00	1,67,77,124	0.62
				07.10.2016	Purchase of Shares	41,472	0.00	1,68,18,596	0.62
				14.10.2016	Purchase of Shares	28,512	0.00	1,68,47,108	0.62
				21.10.2016	Purchase of Shares	97,200	0.00	1,69,44,308	0.63
				28.10.2016	Purchase of Shares	38,880	0.00	1,69,83,188	0.63
				11.11.2016	Purchase of Shares	84,240	0.00	1,70,67,428	0.63
				25.11.2016	Purchase of Shares	1,02,384	0.00	1,71,69,812	0.63
				02.12.2016	Purchase of Shares	58,320	0.00	1,72,28,132	0.64
				06.01.2017	Purchase of Shares	25,272	0.00	1,72,53,404	0.64
				13.01.2017	Purchase of Shares	53,703	0.00	1,73,07,107	0.64

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
				20.01.2017	Purchase of Shares	25,272	0.00	1,73,32,379	0.64
				03.02.2017	Purchase of Shares	75,816	0.00	1,74,08,195	0.64
				17.02.2017	Purchase of Shares	21,060	0.00	1,74,29,255	0.64
				24.03.2017	Purchase of Shares	78,840	0.00	1,75,08,095	0.65
				31.03.2017	Purchase of Shares	77,088	0.00	1,75,85,183	0.65
				31.03.2017	At the end of the year	-	-	1,75,85,183	0.65
11	Government of Singapore	1,97,34,833	0.73					1,97,34,833	0.73
				08.04.2016	Sale of Shares	-6,27,559	-0.02	1,91,07,274	0.71
				22.04.2016	Sale of Shares	-5,48,861	-0.02	1,85,58,413	0.69
				29.04.2016	Sale of Shares	-2,63,194	-0.01	1,82,95,219	0.68
				06.05.2016	Sale of Shares	-4,65,876	-0.02	1,78,29,343	0.66
				03.06.2016	Sale of Shares	-1,98,077	-0.01	1,76,31,266	0.65
				10.06.2016	Purchase of Shares	3,57,925	0.01	1,79,89,191	0.67
				08.07.2016	Sale of Shares	-2,98,089	-0.01	1,76,91,102	0.65
				22.07.2016	Sale of Shares	-25,101	0.00	1,76,66,001	0.65
				29.07.2016	Sale of Shares	-2,19,429	-0.01	1,74,46,572	0.65
				05.08.2016	Sale of Shares	-3,51,950	-0.01	1,70,94,622	0.63
				12.08.2016	Sale of Shares	-78,731	0.00	1,70,15,891	0.63
				19.08.2016	Sale of Shares	-46,636	0.00	1,69,69,255	0.63
				02.09.2016	Sale of Shares	-1,14,430	0.00	1,68,54,825	0.62
				08.09.2016	Purchase of Shares	15,415	0.00	1,68,70,240	0.62
				07.10.2016	Purchase of Shares	1,34,517	0.00	1,70,04,757	0.63
				28.10.2016	Sale of Shares	-13,45,560	-0.05	1,56,59,197	0.58
				04.11.2016	Sale of Shares	-38,590	0.00	1,56,20,607	0.58
				11.11.2016	Sale of Shares	-37,043	0.00	1,55,83,564	0.58
				02.12.2016	Purchase of Shares	3,69,732	0.01	1,59,53,296	0.59
				16.12.2016	Purchase of Shares	35,603	0.00	1,59,88,899	0.59
				31.12.2016	Purchase of Shares	1,17,863	0.00	1,61,06,762	0.60
				06.01.2017	Purchase of Shares	1,10,097	0.00	1,62,16,859	0.60
				03.02.2017	Sale of Shares	-6,56,707	-0.02	1,55,60,152	0.58
				10.02.2017	Sale of Shares	-2,29,177	-0.01	1,53,30,975	0.57
				03.03.2017	Sale of Shares	-1,00,537	0.00	1,52,30,438	0.56
				10.03.2017	Purchase of Shares	31,823	0.00	1,52,62,261	0.56
				31.03.2017	Sale of Shares	-3,28,203	-0.01	1,49,34,058	0.55
				31.03.2017	At the end of the year	-	-	1,49,34,058	0.55
12	Abu Dhabi Investment Authority	2,32,75,987	0.86					2,32,75,987	0.86
				22.04.2016	Sale of Shares	-4,49,243	-0.02	2,28,26,744	0.84
				22.04.2016	Purchase of Shares	4,49,243	0.02	2,32,75,987	0.86
				29.04.2016	Sale of Shares	-23,10,458	-0.09	2,09,65,529	0.78
				29.04.2016	Purchase of Shares	13,44,597	0.05	2,23,10,126	0.82
				06.05.2016	Sale of Shares	-13,44,597	-0.05	2,09,65,529	0.78
				13.05.2016	Sale of Shares	-19,00,920	-0.07	1,90,64,609	0.70
				13.05.2016	Purchase of Shares	19,00,920	0.07	2,09,65,529	0.78
				20.05.2016	Sale of Shares	-13,72,357	-0.05	1,95,93,172	0.72

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
				27.05.2016	Sale of Shares	-5,58,176	-0.02	1,90,34,996	0.70
				27.05.2016	Purchase of Shares	5,28,563	0.02	1,95,63,559	0.72
				03.06.2016	Sale of Shares	-25,81,032	-0.10	1,69,82,527	0.63
				03.06.2016	Purchase of Shares	17,85,953	0.07	1,87,68,480	0.69
				10.06.2016	Sale of Shares	-17,85,953	-0.07	1,69,82,527	0.63
				24.06.2016	Sale of Shares	-2,00,000	-0.01	1,67,82,527	0.62
				15.07.2016	Sale of Shares	-12,22,622	-0.05	1,55,59,905	0.58
				02.09.2016	Sale of Shares	-8,22,079	-0.03	1,47,37,826	0.54
				02. 12.2016	Sale of Shares	-2,20,700	-0.01	1,45,17,126	0.54
				16.12.2016	Sale of Shares	-16,56,082	-0.06	1,28,61,044	0.48
				16.12.2016	Purchase of Shares	16,56,082	0.06	1,45,17,126	0.54
				19.12.2016	Sale of Shares	-3,52,752	-0.01	1,41,64,374	0.52
				23.12.2016	Sale of Shares	-10,20,076	-0.04	1,31,44,298	0.49
				23.12.2016	Purchase of Shares	1,57,458	0.01	1,33,01,756	0.49
				31.12.2016	Sale of Shares	-4,40,712	-0.02	1,28,61,044	0.48
				24.02.2017	Sale of Shares	-1,62,613	-0.01	1,26,98,431	0.47
				03.03.2017	Sale of Shares	-87,560	0.00	1,26,10,871	0.47
				03.03.2017	Sale of Shares	-8,00,000	-0.03	1,18,10,871	0.44
				31.03.2017	At the end of the year	-	-	1,18,10,871	0.44
13	SBI Mutual Funds	2,80,25,908	1.04					2,80,25,908	1.04
				08.04.2016	Sale of Shares	-5,82,877	-0.02	2,74,43,031	1.01
				08.04.2016	Purchase of Shares	10,01,969	0.04	2,84,45,000	1.05
				15.04.2016	Sale of Shares	-36,19,813	-0.13	2,48,25,187	0.92
				15.04.2016	Purchase of Shares	30,04,610	0.11	2,78,29,797	1.03
				22.04.2016	Purchase of Shares	13,392	0.00	2,78,43,189	1.03
				29.04.2016	Sale of Shares	-3,07,590	-0.01	2,75,35,599	1.02
				29.04.2016	Purchase of Shares	30,504	0.00	2,75,66,103	1.02
				06.05.2016	Purchase of Shares	18,042	0.00	2,75,84,145	1.02
				13.05.2016	Purchase of Shares	3,946	0.00	2,75,88,091	1.02
				20.05.2016	Purchase of Shares	5,90,156	0.02	2,81,78,247	1.04
				27.05.2016	Purchase of Shares	1,13,441	0.00	2,82,91,688	1.05
				03.06.2016	Purchase of Shares	37,312	0.00	2,83,29,000	1.05
				10.06.2016	Sale of Shares	2,468	0.00	2,83,31,468	1.05
				17.06.2016	Purchase of Shares	57,373	0.00	2,83,88,841	1.05
				24.06.2016	Purchase of Shares	1,07,695	0.00	2,84,96,536	1.05
				30.06.2016	Sale of Shares	-242	0.00	2,84,96,294	1.05
				30.06.2016	Purchase of Shares	74,899	0.00	2,85,71,193	1.06
				01.07.2016	Sale of Shares	-248	0.00	2,85,70,945	1.06
				08.07.2016	Purchase of Shares	2,61,905	0.01	2,88,32,850	1.07
				15.07.2016	Sale of Shares	-666	0.00	2,88,32,184	1.07
				15.07.2016	Purchase of Shares	1,190	0.00	2,88,33,374	1.07
				22.07.2016	Sale of Shares	-2,669	0.00	2,88,30,705	1.07
				22.07.2016	Purchase of Shares	8,432	0.00	2,88,39,137	1.07
				29.07.2016	Sale of Shares	-50,000	0.00	2,87,89,137	1.06

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		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
				29.07.2016	Purchase of Shares	36,264	0.00	2,88,25,401	1.07
				05.08.2016	Purchase of Shares	16,642	0.00	2,88,42,043	1.07
				12.08.2016	Purchase of Shares	15,422	0.00	2,88,57,465	1.07
				19.08.2016	Purchase of Shares	15,565	0.00	2,88,73,030	1.07
				26.08.2016	Sale of Shares	-2,544	0.00	2,88,70,486	1.07
				26.08.2016	Purchase of Shares	53,918	0.00	2,89,24,404	1.07
				02.09.2016	Purchase of Shares	1,35,653	0.01	2,90,60,057	1.07
				08.09.2016	Sale of Shares	-552	0.00	2,90,59,505	1.07
				08.09.2016	Purchase of Shares	1,00,753	0.00	2,91,60,258	1.08
				09.09.2016	Purchase of Shares	37,942	0.00	2,91,98,200	1.08
				14.09.2016	Purchase of Shares	67,439	0.00	2,92,65,639	1.08
				16.09.2016	Purchase of Shares	60,271	0.00	2,93,25,910	1.08
				21.09.2016	Purchase of Shares	70,427	0.00	2,93,96,337	1.09
				23.09.2016	Purchase of Shares	43,285	0.00	2,94,39,622	1.09
				30.09.2016	Sale of Shares	-11,00,007	-0.04	2,83,39,615	1.05
				30.09.2016	Purchase of Shares	19,01,573	0.07	3,02,41,188	1.12
				07.10.2016	Purchase of Shares	14,63,059	0.05	3,17,04,247	1.17
				14.10.2016	Purchase of Shares	16,262	0.00	3,17,20,509	1.17
				21.10.2016	Purchase of Shares	1,12,778	0.00	3,18,33,287	1.18
				28.10.2016	Purchase of Shares	74,837	0.00	3,19,08,124	1.18
				04.11.2016	Purchase of Shares	35,440	0.00	3,19,43,564	1.18
				11.11.2016	Purchase of Shares	77,639	0.00	3,20,21,203	1.18
				18.11.2016	Purchase of Shares	79,720	0.00	3,21,00,923	1.19
				23.11.2016	Purchase of Shares	56,236	0.00	3,21,57,159	1.19
				25.11.2016	Purchase of Shares	31,898	0.00	3,21,89,057	1.19
				02.12.2016	Purchase of Shares	4,26,600	0.02	3,26,15,657	1.21
				09.12.2016	Sale of Shares	-80,750	0.00	3,25,34,907	1.20
				09.12.2016	Purchase of Shares	1,21,442	0.00	3,26,56,349	1.21
				16.12.2016	Sale of Shares	-1,00,00,000	-0.37	2,26,56,349	0.84
				16.12.2016	Purchase of Shares	2,35,562	0.01	2,28,91,911	0.85
				19.12.2016	Sale of Shares	-3,53,142	-0.01	2,25,38,769	0.83
				19.12.2016	Purchase of Shares	54,774	0.00	2,25,93,543	0.84
				23.12.2016	Sale of Shares	-22,18,034	-0.08	2,03,75,509	0.75
				23.12.2016	Purchase of Shares	2,68,909	0.01	2,06,44,418	0.76
				31.12.2016	Sale of Shares	-6,45,000	-0.02	1,99,99,418	0.74
				31.12.2016	Purchase of Shares	8,25,954	0.03	2,08,25,372	0.77
				06.01.2017	Sale of Shares	-26,46,890	-0.10	1,81,78,482	0.67
				06.01.2017	Purchase of Shares	3,67,274	0.01	1,85,45,756	0.69
				13.01.2017	Sale of Shares	-46,33,327	-0.17	1,39,12,429	0.51
				13.01.2017	Purchase of Shares	1,46,151	0.01	1,40,58,580	0.52
				20.01.2017	Sale of Shares	-32,84,130	-0.12	1,07,74,450	0.40
				20.01.2017	Purchase of Shares	57,291	0.00	1,08,31,741	0.40
				27.01.2017	Sale of Shares	-23,00,569	-0.09	85,31,172	0.32
				27.01.2017	Purchase of Shares	71,928	0.00	86,03,100	0.32
				03.02.2017	Sale of Shares	-7,935	0.00	85,95,165	0.32
				03.02.2017	Purchase of Shares	1,71,547	0.01	87,66,712	0.32

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2016)		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
				10.02.2017	Sale of Shares	-561	0.00	87,66,151	0.32
				10.02.2017	Purchase of Shares	2,02,676	0.01	89,68,827	0.33
				17.02.2017	Purchase of Shares	2,06,329	0.01	91,75,156	0.34
				24.02.2017	Purchase of Shares	1,11,378	0.00	92,86,534	0.34
				03.03.2017	Purchase of Shares	4,31,830	0.02	97,18,364	0.36
				10.03.2017	Sale of Shares	-32	0.00	97,18,332	0.36
				10.03.2017	Purchase of Shares	85,811	0.00	98,04,143	0.36
				17.03.2017	Purchase of Shares	18,048	0.00	98,22,191	0.36
				24.03.2017	Sale of Shares	-82,590	0.00	97,39,601	0.36
				24.03.2017	Purchase of Shares	1,349	0.00	97,40,950	0.36
				31.03.2017	Sale of Shares	-2,162	0.00	97,38,788	0.36
				31.03.2017	Purchase of Shares	1,26,363	0.00	98,65,151	0.36
				31.03.2017	At the end of the year	-	-	98,65,151	0.36
14	Aberdeen Global Indian Equity Limited	3,65,98,000	1.35					3,65,98,000	1.35
				03.06.2016	Sale of Shares	-30,00,000	-0.11	3,35,98,000	1.24
				01.07.2016	Sale of Shares	-30,23,822	-0.11	3,05,74,178	1.13
				08.07.2016	Sale of Shares	-44,41,388	-0.16	2,61,32,790	0.97
				15.07.2016	Sale of Shares	-51,77,970	-0.19	2,09,54,820	0.77
				22.07.2016	Sale of Shares	-42,61,073	-0.16	1,66,93,747	0.62
				29.07.2016	Sale of Shares	-35,89,331	-0.13	1,31,04,416	0.48
				05.08.2016	Sale of Shares	-32,29,081	-0.12	98,75,335	0.37
				12.08.2016	Sale of Shares	-98,75,335	-0.37	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00

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 01.04.2016)		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 (w.e.f. 11.02.2017)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
2	Mr. S. Padmanabhan (w.e.f. 16.12.2016)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
3	Dr. Homiar S. Vachha	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
4	Mr. Nawshir H. Mirza	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	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 01.04.2016)		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
5	Mr. Deepak M. Satwalekar	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
6	Mr. Pravin H. Kutumbe	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
7	Ms. Sandhya S. Kudtarkar (w.e.f. 16.04.2016)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
8	Ms. Anjali Bansal (w.e.f. 14.10.2016)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
9	Ms. Vibha Padalkar (w.e.f. 14.10.2016)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
10	Mr. Sanjay V. Bhandarkar (w.e.f. 14.10.2016)	16,262	0.00					16,262	0.00
				-	No change	0	0.00	16,262	0.00
				31.03.2017	At the end of the year	-	-	16,262	0.00
11	Mr. Anil Sardana, CEO & Managing Director	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
12	Mr. Ashok S. Sethi, COO & Executive Director	20,600	0.00					20,600	0.00
				-	No change	0	0.00	20,600	0.00
				31.03.2017	At the end of the year	-	-	20,600	0.00
13	Mr. Ramesh N. Subramanyam, Chief Financial Officer	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2017	At the end of the year	-	-	0	0.00
14	Mr. Hanoz M. Mistry, Company Secretary	18,445	0.00					18,445	0.00
				-	No change	0	0.00	18,445	0.00
				31.03.2017	At the end of the year	-	-	18,445	0.00
15	Mr. Piyush G. Mankad (upto 17.11.2016)	0	0.00					0	0.00
					No change	0	0.00	0	0.00
				17.11.2016	At the end of the period	-	-	0	0.00
16	Mr. Cyrus P. Mistry (upto 19.12.2016)	72,960	0.00					72,960	0.00
					No change	0	0.00	72,960	0.00
				19.12.2016	At the end of the period	-	-	72,960	0.00
17	Mr. Ashok K. Basu (upto 23.03.2017)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				23.03.2017	At the end of the period	-	-	0	0.00

V. INDEBTEDNESS

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

Figures in ₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,373.67	5,855.51	0.03	11,229.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	92.90	133.81	-	226.71
Total (i+ii+iii)	**5,466.57**	**5,989.32**	**0.03**	**11,455.92**
Change in Indebtedness during the financial year				
• Addition	2,043.43	12,771.24	-	14,814.67
• Reduction	(1,336.76)	(8,033.28)	-	(9,370.04)
Net Change	**706.67**	**4,737.96**	**-**	**5,444.63**
Indebtedness at the end 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**

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	2,38,12,250	1,49,12,134	3,87,24,384
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7,59,562	19,597	7,79,159
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	-	-	-
	- others, specify... (performance based)	&5,00,00,000	&1,60,00,000	&6,60,00,000
5.	Others, Retirement Benefits	26,73,000	6,98,400	33,71,400
	Total (A)	**7,72,44,812**	**3,16,30,131**	**10,88,74,943**
	Ceiling as per Act (@ 10% of profit calculated under Section 198 of the Companies Act, 2013)			36.44 crore

& Commission relates to the financial year ended 31st March 2017, which will be paid during FY18.

B. Remuneration to other directors:

(₹)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee meetings*	Commission payable for FY17[&]	Others, please specify	
I.	**Independent Directors**				
1.	Dr. H. S. Vachha	6,60,000	59,50,000	Nil	66,10,000
2.	Mr. N. H. Mirza	9,60,000	94,50,000	Nil	1,04,10,000
3.	Mr. D. M. Satwalekar	10,50,000	80,50,000	Nil	91,00,000
4.	Ms. Anjali Bansal (w.e.f. 14.10.2016)	2,40,000	13,50,000	Nil	15,90,000
5.	Ms. Vibha Padalkar (w.e.f. 14.10.2016)	3,30,000	20,00,000	Nil	23,30,000
6.	Mr. S. V. Bhandarkar (w.e.f. 14.10.2016)	2,40,000	11,00,000	Nil	13,40,000
7.	Mr. P. G. Mankad (upto 17.11.2016)	3,30,000	24,50,000	Nil	27,80,000
8.	Mr. A. K. Basu (upto 23.03.2017)	2,70,000	17,50,000	Nil	20,20,000
	Total (I)	**40,80,000**	**3,21,00,000**	**Nil**	**3,61,80,000**
II.	**Other Non-Executive Directors**				
1.	Mr. N. Chandrasekaran (w.e.f. 11.02.2017) [$]	Nil	Nil	Nil	Nil
2.	Mr. S. Padmanabhan (w.e.f. 16.12.2016)	1,50,000	13,00,000	Nil	14,50,000
3.	Mr. P. H. Kutumbe [@]	2,70,000	13,00,000	Nil	15,70,000
4.	Ms. S. S. Kudtarkar (w.e.f. 16.04.2016)	2,40,000	13,00,000	Nil	15,40,000
5.	Mr. C. P. Mistry (upto 19.12.2016) [#]	3,90,000	Nil	Nil	3,90,000
	Total (II)	**10,50,000**	**39,00,000**	**Nil**	**49,50,000**
	Total Managerial Remuneration (I + II)	**51,30,000**	**3,60,00,000**	**Nil**	**4,11,30,000**
	Ceiling as per Act (@ 1% of profit calculated under Section 198 of the Companies Act, 2013)				3.64 crore

* Excludes service tax

& Commission relates to the financial year ended 31st March 2017, which will be paid to the eligible Directors during FY18.

$ Mr. N. Chandrasekaran has not attended any meeting and hence, not paid any Sitting Fees or Commission.

Mr. C. P. Mistry, being Executive Chairman of Tata Sons Limited till 24th October 2016, has not accepted any Commission till such date.

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

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	 * 2,45,55,837 36,62,745 Nil	 * 80,13,045 3,474 Nil	 * 3,25,68,882 36,66,219 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	6,78,960	7,11,868	13,90,828
	Total	**2,88,97,542**	**87,28,387**	**3,76,25,929**

* Includes Performance Pay for FY 16 paid in FY 17.

NOTICE BOARD'S REPORT MD & A CG REPORT BRR CONSOLIDATED STANDALONE

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, 19th May 2017

Annexure – IX : Secretarial Audit Report

(Ref.: Board's Report, Section 27)

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
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, 2017, 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, 2017 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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 ₹ 3,500 crore, under Section 42 and 71 of the Act.
2. Part redemption of two Series of Non-convertible Debentures (NCDs) aggregating to ₹ 41 crore during the year.
3. The Scheme of Amalgamation of Chemical Terminal Trombay Limited with the Company is pending in the National Company Law Tribunal (NCLT).
4. The Company's application for renewables carve out of its assets to its wholly owned subsidiary Tata Power Renewable Energy Limited and its step down subsidiaries is pending in the NCLT.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date: 19th May 2017

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.

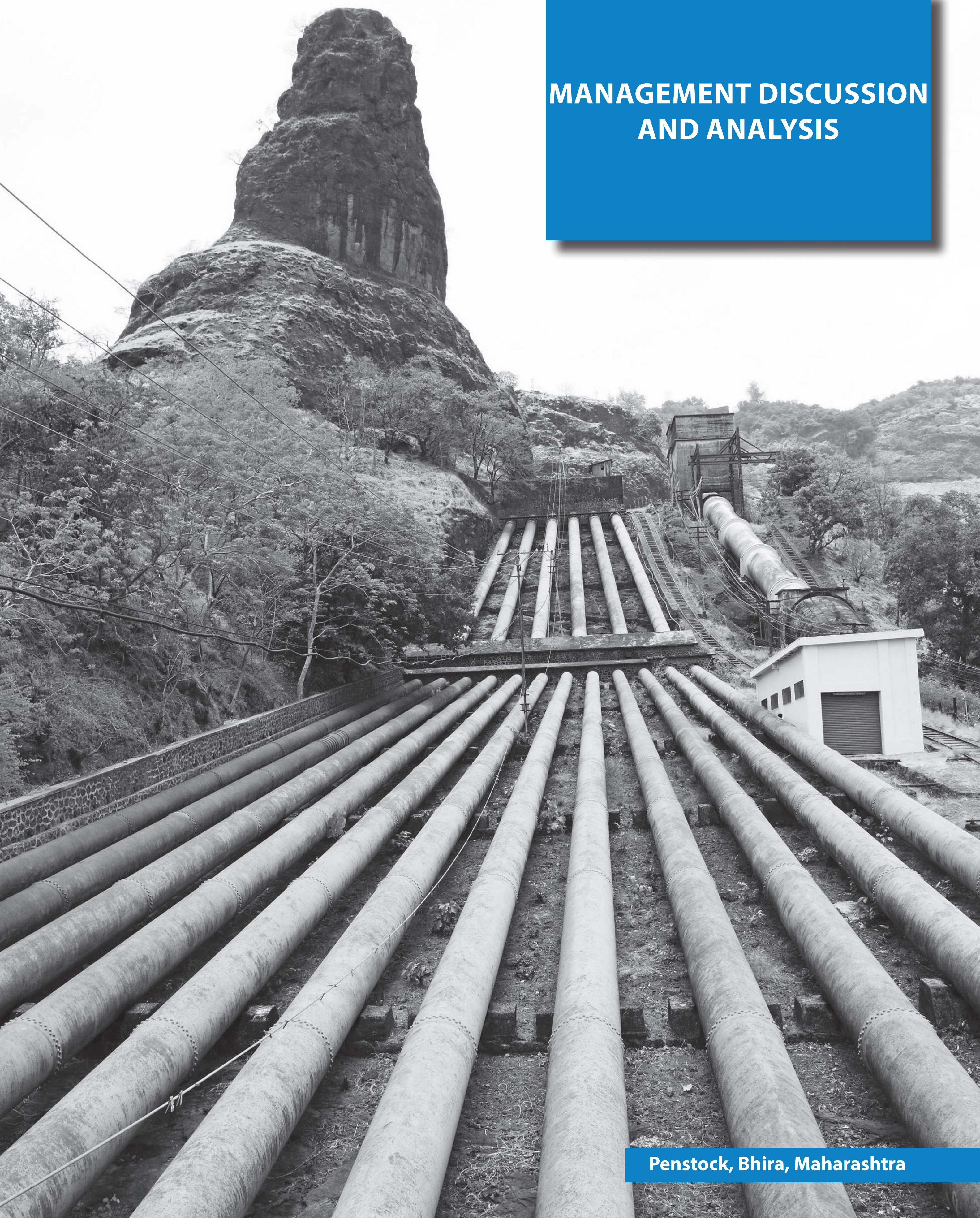
1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness 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
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date: 19th May 2017

MANAGEMENT DISCUSSION AND ANALYSIS



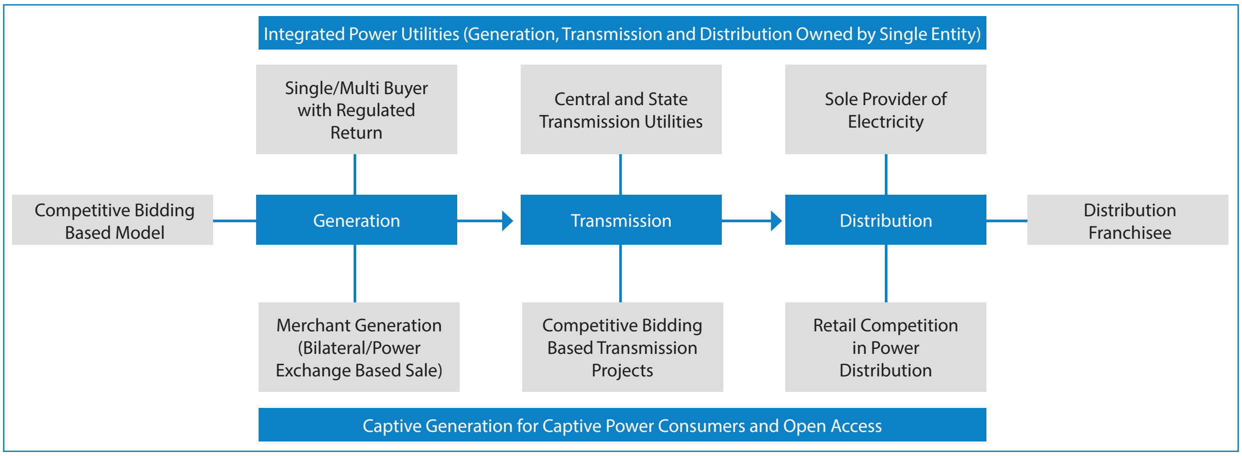
Penstock, Bhira, Maharashtra

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1. MARKET STRUCTURE

The Power market in India has multiple business models for sale and purchase of bulk power, as illustrated below:

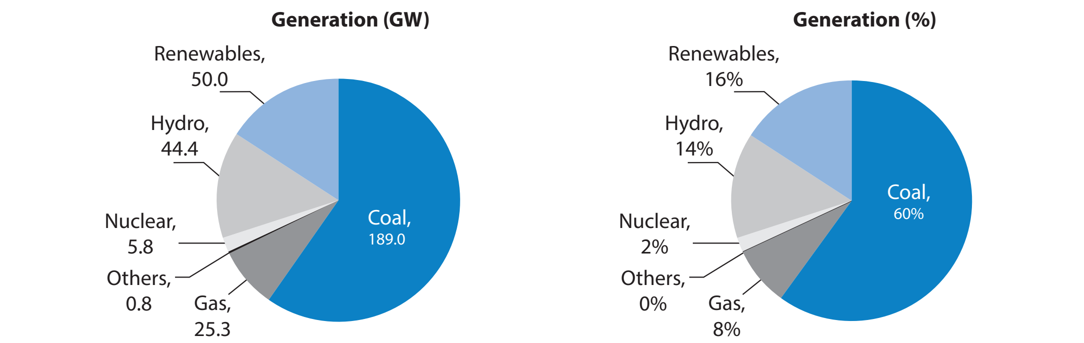


The market structure may alter significantly in the long-term with the proposed amendments to the Electricity Act, 2003 (EA, 2003) and also on account of technological advancements, such as, the introduction of utility-scale storage systems.

1.2. GENERATION

The installed generating capacity in the country as on 31st March 2017, was 327 GW. This does not include nearly 60 to 90 GW of captive generation capacity. Grid connected capacity addition during the financial year for the country declined to 17 GW as compared to capacity addition of 26 GW during the previous financial year. This slowdown in capacity addition has been due to lack of sufficient growth in demand. Due to low reliability of supply, consumers continue to use captive generation.

The generation portfolio mix saw a substantial increase in renewables based capacities; meanwhile, the share of hydro based generation in the mix fell to an all-time low. The increase in renewable based generation has been fueled by rapidly declining component costs, making renewables highly competitive with respect to conventional generation. Also, the capacity addition has accelerated due to the Government's push to boost renewable generation. The Government has set a target of 175 GW of renewable generation capacity for the country by 2022. This is in line with India's commitments to help arrest climate change and reduce global warming. This rapid increase in renewables has led to lower plant utilization for thermal generating stations. Over 30 GW of old and inefficient thermal assets have been identified for phasing out or replacement with new efficient units.



India Generation Mix (in GW) and Share by Generation Source, as of 31st March 2017 (Source: MoP, GoI, CEA)

1.3. FUEL

Coal produced by Coal India Limited (CIL) and its subsidiaries was 554 MT in FY17 against 539 MT in FY16, reflecting a 3% year-on-year growth. This higher production by CIL led to a significant drop in coal imports. Domestic natural gas production was

29,146 MMSCM for the period from April to February in FY17 against 29,709 MMSCM for the same period in FY16.

The global coal prices have risen from nearly USD 50/MT (Newcastle FOB) last year to almost USD 80/MT at the end of FY17. This increase has been despite the growing global trend of moving away from coal based generation. With the requirement of reducing dependence on coal due to environmental considerations, gas based generation has witnessed growing acceptability due to its relatively cleaner generation and flexibility in terms of ramp up and ramp down capability, which helps to balance the variability of renewable generation, though availability of gas has been a significant challenge. (Source: www.coalindia.in, www.petroleum.nic.in)

1.4. 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 765 kV. Total transmission lines capacity increased to nearly 3.7 lakh CKms in FY17, reflecting an increase of about 26,300 CKms over the previous year.

There has been rapid growth in the transmission sector with over 70 CKms of transmission capacity being added daily against an addition of 46 CKms a day between 2012 and 2014.

The inter-regional capacity, as on April 2017, was 75,050 MW of which, 47,900 MW capacity has been added in the 12th plan. (Source: CEA Executive Summary, Power Sector, March 2017; www.powermin.nic.in)

1.5. 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 in a 2-step phased manner over financial years 2016-2018. It also targets the reduction of AT&C losses thereby reducing leakages in the system. As of 2nd April 2017, 27 states and UTs have signed up for UDAY and bonds for more than ₹ 2.3 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 slower, with the total AT&C loss nearing 23% 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.

1.6. POWER TRADING

Around 117 Billion Units (BUs) of electricity were traded in the short-term power market during FY17 (as compared to 115 BUs in FY16), accounting for around 10% of the total generation. Out of this, about 34% of trading took place using power exchange platforms.

With increased opportunities, the challenges in the power trading sector have also grown. The trading margins were under immense pressure due to both, prevailing lower market rates and competition. The competition grew fierce due to an increase in the number of CERC licensed traders from 11 in FY05 to 43 in FY17.

At ₹ 2.41 per unit, the average clearing price for spot markets in FY17 fell by 12% as compared to the previous fiscal. Clearing price for electricity in the spot market was the highest for South India, with prices ranging from ₹ 2.79 to ₹ 2.92 per unit. An improvement was also noticed in the inter-state transmission scenario due to reduced congestion. In FY17, 1,526 MUs of electricity could not be traded as compared to 2,014 MUs in FY16.

1.7. 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 FY17:

- **Launch of DEEP (Discovery of Efficient Electricity Price) e-Bidding & e-Reverse Auction portal**

  On 12th April 2016, the Government of India launched "DEEP (Discovery of Efficient Electricity Price) e-Bidding & e-Reverse Auction portal" for procurement of short term power by distribution companies. The guidelines for short term procurement of power have been notified by Ministry of Power w.e.f. 1st April 2016, making it mandatory for all the Procurer(s) to procure short term power by using this e-Bidding portal. Power procurement from power exchanges are excluded from the scope of these guidelines. The portal introduces uniformity and transparency in power procurement by the DISCOMs and at the same time, promotes competition in the electricity sector. The scope of this portal shall be further expanded to cover medium term and long term procurement of power. This e-Reverse auction process for competitive procurement is expected to result in overall reduction of cost of procurement of power, thereby significantly benefiting the ultimate consumers. Your Company, through its subsidiary Tata Power Trading Company Limited, has participated in the reverse e-auction bidding process held on the DEEP portal and has successfully won bids.

- **Flexibility in utilization of domestic coal for reducing the cost of power generation**

  The Government of India has approved the proposal for allowing flexibility in optimal use of domestic coal in efficient generating stations resulting in reduction in the cost of electricity generation and reduction in the power purchase cost of the state distribution companies. All long term coal linkages of individual state generating stations shall be clubbed and assigned to the respective state nominated agency. Similarly, coal linkages of individual Central Generating Stations (CGS) shall be clubbed and assigned to the company owning the CGS, to enable efficient coal utilization amongst end use generating stations. There shall be flexibility in use of such coal amongst the generating stations of state owned utilities, plants of other state power utilities, company owning the CGS and IPPs, amongst each other. In case of use of coal in state/central generating plants, the deciding criteria shall be plant efficiency, coal transportation cost, transmission charges and overall cost of power. In case of use of coal assigned to the state in private generating stations, power through substituted coal shall be procured on bidding basis from amongst the competing private sector plants, where the source of coal, quantity of coal, quantum of power, and delivery point for the receipt of power shall be indicated upfront. Subsequently, Ministry of Power on 20th February 2017, has issued the 'Methodology for Use of Coal by State in Private Generating Stations (IPPs)'.

- **MoU signed for third party sampling of coal**

  Central Institute of Mining and Fuel Research (CSIR-CIMFR) has signed a Memorandum of Understanding (MoU) with coal supplying companies and power utilities, for quality analysis of coal being supplied to power utilities by coal companies. The MoU has been followed up by signing of a tripartite agreement amongst CSIR-CIMFR, CIL and The respective power generation companies. Under the agreement, CSIR-CIMFR would carry out the activities of sampling and quality analysis at coal loading end on the coal dispatched by CIL to power utilities. The sampling results will be used to address the issue of grade slippage, incorrect invoicing and issuance of credit notes by coal companies. MPL has signed the tripartite agreement with CSIR-CIMFR and CIL and CSIR-CIMFR has commenced the activity of sampling and analysis at loading points from where coal is dispatched to MPL.

- **Guidelines on cross border trade of electricity**

  Ministry of Power has issued guidelines to facilitate and promote cross border trade of electricity with greater transparency, consistency and predictability and to minimize regulatory risks. CERC has issued Draft Central Electricity Regulatory Commission (Cross Border Trade of Electricity) Regulations, 2017 seeking public comments. Issuance of guidelines by the Ministry of Power and the draft regulations by CERC are positive developments and will pave the way for sale of energy from Dagachhu hydro power plant in Bhutan, where your Company has shareholding.

- **MNRE - Scheme for setting up of 1000 MW ISTS-connected wind power projects**

  During this year, the Ministry of New and Renewable Energy (MNRE), formulated a scheme for setting up of 1000 MW ISTS-connected wind power projects to provide a framework for inter-state sale of wind power at a price determined through a transparent competitive bidding process. This will not only facilitate the non-windy states/UTs to fulfill their non-solar RPO obligations but also boost investment in the sector. As per provisions of the scheme, MNRE also issued guidelines for transparent bidding process for implementation of this scheme.

- **CERC Staff Paper on Introduction of Electricity Storage System in India**

  Balancing of grid with large scale integration of various intermittent energy sources (renewable) in the electricity mix is a major challenge. As part of one of the feasible solutions, CERC has prepared a paper on 'Introduction of Electricity Storage System in India'. The staff paper addresses the probable approaches for usage of storage systems along with operational and recovery aspects of storage facilities.

- **CERC Determination of Forbearance and Floor Price for the Renewable Energy Certificates (REC) framework to be applicable from 1st April 2017**

  CERC has issued the final order on revised price bands for RECs which would be valid from 1st April 2017 onwards. CERC has lowered the band of prices within which RECs issued to RE generators would be traded in the market. RECs that were on the verge of expiry have been given an extension till 31st March 2018. The reduced bands would impact the RE generators. However, discoms, captive and open access consumers are likely to find buying RECs easier for meeting RPO than buying green power, which is likely to result in increase in demand for RECs.

- **MNRE Draft Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects**

  MNRE also issued the draft guidelines for 'Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects' wherein key issues faced by the developers were addressed by introducing generation compensation for offtake constraints on account of unavailability of the transmission infrastructure/grid or in the eventuality of a backdown for which the generator is not responsible. Apart from this, some states came out with the draft state level forecasting and scheduling regulations. Comments were provided on all the above schemes, guidelines, orders and regulations in their draft stages.

- **Revised norms of Emission standards for Coal based thermal power plants by MoEF&CC**

  MoEF&CC has notified revised norms of emission standards for coal based thermal power plants. It comes as an endeavour to move towards stricter emission norms to minimize pollution. Your Company welcomes such an initiative. These standards are proposed to be implemented in a phased manner. Thermal power plants are categorized into 3 categories, viz. those (i) Installed before 31st December 2003 (ii) Installed after 2003 up to 31st December 2016 and (iii) to be installed. The time period given for implementation of these rules is 2 years from the date of issue i.e. by 7th December 2017. Your Company would be required to comply with the new norms as applicable to individual units/ plants. Assessment of individual units has been done. Your Company is hopeful of being protected against the cost implications as the changes to be effected should be treated as a change in law and the cost can then be recovered. To ensure this, the necessary petitions have been filed with regulators to allow additional costs. In few cases where there are difficulties owing to layout, land availability, water etc., it has been suitably escalated with MoEF&CC and CEA/MoP, GoI.

1.8. INDUSTRY DEVELOPMENTS IN INTERNATIONAL FOCUS GEOGRAPHIES

With solar power coming of age and becoming highly competitive as also the demand-supply position re-balancing itself due to various growth imperatives, the power sector landscape across different focus geographies such as ASEAN countries, Middle East, Georgia, Turkey and sub-Saharan Africa region has been evolving rapidly.

The global coal prices saw a spurt during the last year, before stabilizing at more sustainable levels. However, the sector is highly volatile and continues to be swayed largely by the demand-supply position of China.

Georgia and Turkey are exposed to regional conflict but continue to remain politically stable. Executing an accession agreement with the Energy Community, Georgia hopes to be better integrated with the European Union and improve the attractiveness of investments in the electricity and gas sectors. Turkey has a mature electricity market, a regulatory framework in alignment with EU legislation, private sector involvement and a very high level of merchant market density. South Africa is heavily dependent on coal as a primary energy source, as well as a source of revenue for the country. The electricity system faces the challenges of an ageing coal generation fleet which requires more maintenance, delays in the construction of new coal-fired power plants and a potential shortfall in coal supply from the end of the decade if there is no substantial investment made in new mines and infrastructure to support those mines. The country's dependence on coal results in a carbon intensive economy and the country has made ambitious commitments in the international arena to reduce its carbon emissions by 34% by 2020 and by 45% by 2025 from business as usual. To achieve this goal, South Africa is in the process of designing and implementing a carbon tax, a carbon budgeting system and compulsory greenhouse gas reporting.

Sub-Saharan Africa is rich in energy resources, but very poor in energy supply. Ghana, Liberia, Kenya and Zambia offer a politically stable environment, but are economically supported by US foreign aid agency Millennium Challenge Corporation (MCC). MCC forms bilateral partnerships with poor countries that indicate commitment to good governance, economic freedom and the grants are extended to restructure sectors like education, energy, health, water, sanitation and irrigation etc.

The economic outlook for Vietnam seems to remain stable and it continues to be an attractive destination due to the opportunities it offers in the conventional and renewable generation market. Due to its growing domestic demand and low labour costs, it is one of the favorite investment destinations in the ASEAN region. The recent development of the US withdrawing from Trans-Pacific Partnership (TPP) is not likely to have a large impact on Vietnam's economy.

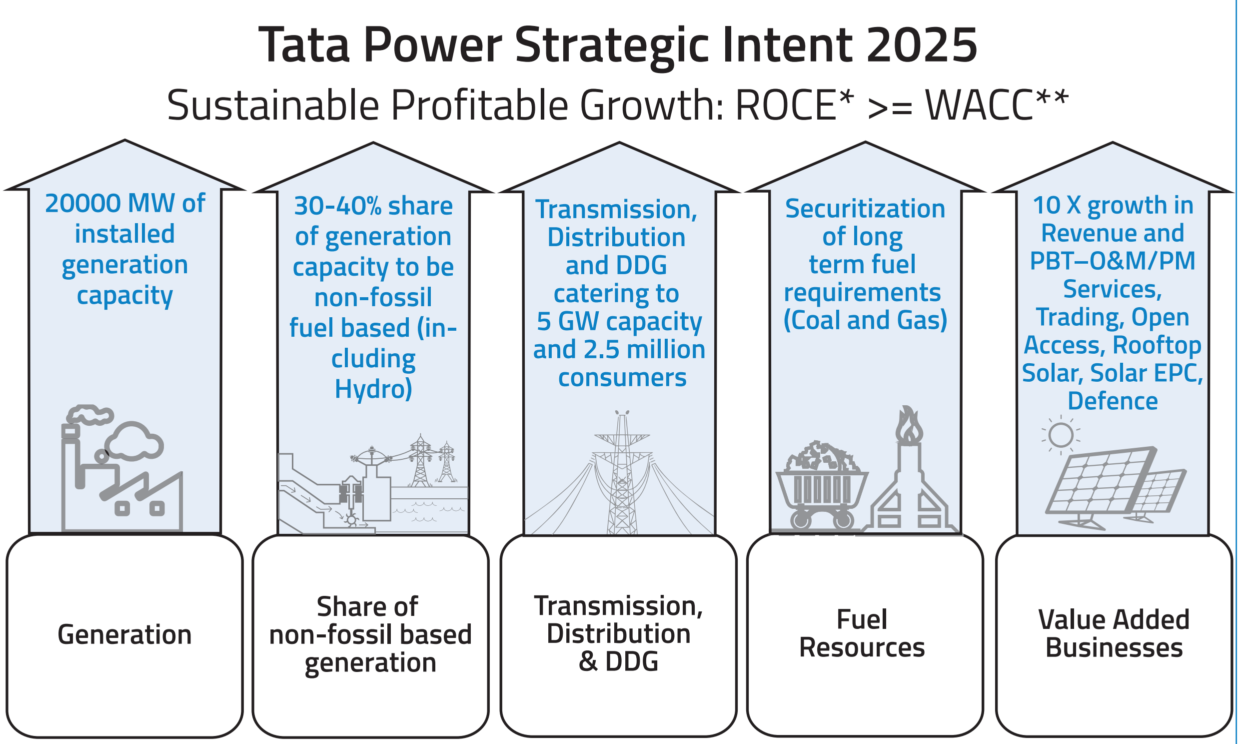
The new government in Myanmar, which assumed office in April 2016, is expected to come up with revised policies on use of fossil fuels and renewables. The power situation in the country remains weak and augmentation of the sector is expected to revive the economy.

Your Company, through its Representative Office in Hanoi, continues to engage with stakeholders in the country to evolve policies supportive of large investments in the power sector and as also to develop newer opportunities in the renewable space. Similarly, the Company, through its Representative Office in Yangon, continues to watch the developments in Myanmar with a view to spot new opportunities. Your Company continues to remain optimistic on both Georgia and Turkey and evaluate opportunities as they arise. Your Company's joint venture with Exxaro, viz. Cennergi, declared commercial operation of its 230 MW wind farms in South Africa during the year.

In the competitive environment, arduous and long drawn processes in allotment of new generation licenses are key issues which need to be addressed by the governments in international geographies to make the sector attractive to investors. The impact of the US Administration's choice of pro-fossil fuel and its impact on climate-change agenda is yet to be felt and assessed.

2. 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 target areas for the Company at this point of time is scaling up of generation capacity with a focus on renewables and Value Added Businesses viz. services, trading etc.



*ROCE- Return on Capital employed
**WACC- Weighted Average cost of capital

There has been a growing shift away from coal based generation in the developed economies of the world. Since a significant percentage of the population in India is still awaiting 24x7 power supply and coal being an abundant resource in India, coal is expected to remain a significant fuel source in the country's quest for providing power to all its citizens. About 19% of the Indian population does not have access to power, as also, the country's per capita consumption is much lower than the global average at ~1000 kWh/year - it is important to improve both these aspects. Conventional as well as distributed format of generation therefore, are critical to the success of Indian power sector.

There is a substantial governmental push to establish renewable power generation capacity to meet the 175 GW target by 2022. This has seen aggressive bids by some renewable energy players in recent auctions. India's solar tariffs have dropped by 40% to ₹2.44/unit over a period of 5 months from January 2017 to May 2017. The drop looks excessive as module prices are down by 6% during this period and further 5% reduction is due to Indian Rupee's appreciation during the same period. At the current rate, sector analysts and experts point out that developers might not be able to repay their debt and at best, there will be meagre equity returns. It may be possible that developers expect a steep drop in module prices to make a reasonable return. If the capital cost does not fall, there could be significant risk. Given the short gestation periods of execution of renewable projects, these projects could witness stress soon, even if one assumption does not go in the developer's favour (capital cost, interest rates, PLF, forex prices etc.)

Your Company has decided to refrain from taking undue risks of making aggressive bids, as it is expected that there would be sufficient growth opportunities (both organic and inorganic) in future, with a more reasonable and acceptable risk profile. We believe this prudent strategy is a differentiator for your Company.

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 30-40% of its generation capacity from non-fossil based sources (renewable and hydropower) by 2025, thus going beyond the national goals for clean power generation. Your Company, through its subsidiary, Tata Power Renewable Energy Limited (TPREL), has successfully acquired one of the largest Renewable Energy portfolios available during the year with a capacity of over 1 GW (1140 MW). This portfolio comprises of 995 MW and 146 MW operating solar and wind assets spread over ten states. With this, the share of non-fossil based generation in Tata Power's overall portfolio is about 30%. This acquisition has enabled the Company to become one of the largest renewable players in the domestic market.

The sellers (Welspun group) had appointed Barclays Capital Inc, who carried out a two stage comprehensive bid process to select the bidder for acquisition of its subsidiary Welspun Renewables Energy Private Limited (WREPL). Shortlisted bidders were invited to carry out detailed due diligence and make a final offer basis initial non-binding indicative proposal. As per market information, TPREL was in competition with a reputed International firm and other major Indian companies in Energy Sector for the said deal. A detailed due diligence (DD) process involving, technical, real estate, commercial, accounting, taxation, legal and secretarial matters was followed to identify risks in the deal and the same were factored in the proposal. For this, the Company deployed reputed firms to support its DD process, valuation process and also for documentation. The valuation of the Welspun Assets was based on the future cash flow potential of the projects that were primarily in the operational stage with little or no implementation risks and were already supplying power to Indian DISCOMs through valid PPAs. This acquisition is value accretive to Tata Power. It has improved the share of renewables in Tata Power portfolio. Also, due to the good quality of the assets ready to generate cash with strong PPAs and assets spread across 10 different states of India, it has provided adequate diversification of risks. The market feedback on the strategic fit as well price of the acquisition paid by Tata Power has been very positive. This is also reflected in comparative deals in the solar space.

The company acquired by TPREL is only the asset company along with used and significant unused exploitable land for future expansion. TPREL did not acquire the erstwhile promoters' EPC company. The Company, through its Audit Committee and Board, evaluated deeply all such inputs that were received by the Company from various stakeholders and found them to be either irrelevant (as interpretations drawn were from companies that were not acquired) or based on outdated facts. The Company reiterates that the acquisition is value-accretive. The EBITDA contribution for the period that the company was with TPREL is as under:

(Table 1)

For the period: 14th September 2016 to 31st March 2017	₹ crore
EBITDA	539
PAT	106

While the Indian market continues to remain the primary focus of business, your Company has made significant investments in projects in select international geographies to diversify its portfolio. In line with the international strategy, the Company continues to evaluate investment opportunities in ASEAN countries, Middle East, Georgia, Turkey and sub-Saharan Africa region. The current power sector business in these geographies has been facing challenging times due to reduced investment opportunities in coal based generation, currency volatilities and political risks. In order to minimize the possible impact due to these risks, your Company has followed a strategy of having local partners, undertaking government backed contracts, etc. Your Company has been conscious about the capital allocation to international projects, thereby limiting exposure to aforementioned risks. Currently, 4.9% (512 MW) of you Company's generation capacity is based in international geographies with another 187 MW under execution. Your Company continues to evaluate various opportunities with low capital requirements, such as providing management and technical advisory services in generation and distribution businesses.

The Company has been focusing on the consumer end of the value chain through distribution network development and power supply business. The Company is also looking at scaling up its value added businesses, i.e., businesses with little or no capital investment (power trading, O&M services, solar EPC), substantially over the next few years.

Tata Power group's leverage has increased in the recent past primarily due to the debt taken for the WREPL acquisition and due to the deterioration in CGPL's net worth. Your Company is committed to reducing the debt levels through various options including monetization of non-core assets/investments. 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 capitalizing on growth opportunities. Your Company is actively pursuing steps needed to achieve this objective in a time-bound manner.

Considering the fact that the Company is looking for significant growth in the years ahead, mobilization of resources is a critical activity. One such source is divestment of such investments that are not core to the 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.

3. OPPORTUNITIES AND OUTLOOK

As per the Draft National Electricity Plan (2016) released by the Central Electricity Authority (CEA), new coal based capacity additions will be required only after 2027. A lot of coal based generation capacity which got created on the basis of the earlier demand projections which have not fructified, is as such, rendered stranded. As the power sector is seen as a key driver supporting the growth of the nation at large, the Government at the Centre has been pursuing reforms which are expected to ease some of the known constraints. Your Company keeps a close watch on opportunities arising in the sector.

- **Generation**

  The three focus areas for the Company would be evaluation of opportunities for a) acquisition of "stressed" thermal assets in India through the power platform, viz., Resurgent Power Ventures Pte. Ltd., Singapore, formed by Tata Power International Pte. Ltd. in partnership with ICICI Bank and three international strategic investors viz. Caisse de dépôt et placement du Québec (CDPQ) of Canada, Kuwait Investment Authority (KIA) and State General Reserve Fund (SGRF) of the Sultanate of Oman; b) greenfield development and M&A in renewable space, particularly solar power and c) greenfield development and M&A in select international geographies, particularly in renewables.

- **Transmission**

  During the year, there has been considerable progress made in transmission sector in the country. Critical regional links have been commissioned/progressed well thereby facilitating inter-regional transfer of power. In addition, the Government has announced green transmission corridors which will provide further impetus to the development of renewable power. Over the next few years, the demand for transmission capacity is expected to increase significantly, driven primarily by increase in generation capacity and also due to requirements of open access, inter-regional transfers and integration of infirm renewable power in the system.

  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 certainly pursue good opportunities for investment.

- **Distribution**

  With growing focus on improving the state of distribution business, some states have been adopting an input based Distribution Franchisee (DF) model. Currently, other than in Rajasthan, Uttarakhand and Jharkhand, there are not many urban centres which have been notified under the Franchisee opportunity. The Company constantly evaluates such opportunities and was successful in bagging Ajmer DF recently in Rajasthan. It will continue to pursue other opportunities of partnering with States/Union Territories that have the institutional will and conviction to reform and drive operational improvement.

  The Company continues to track developments with respect to amendments to EA, 2003, which might create opportunities in electricity supply business.

- **Fuel**

  The Company continues to evaluate sourcing and investment opportunities in thermal coal mines to meet the current and future generation needs.

- **Investments**

  Your Company's investments in the promoter companies of Tata Group, namely Tata Sons Limited and Tata Industries Limited, have greatly helped it to be an integral part of the prestigious Tata Group and to pursue new and emerging business opportunities and collaborate with best-in-class companies. Tata Industries has initiated and promoted Tata ventures in several sectors, including clean energy, data analytics, digital health, control systems, information technology, financial services, auto components, advanced materials, telecom hardware and telecommunication services. Tata Sons has promoted companies such as Tata Consultancy Services (TCS), investment in which has yielded good returns to your Company. By virtue of holding equity in Tata Sons and Tata Industries, your Company had the opportunity to invest in TCS, Trent, Tata Communications etc. which have been financially beneficial to the Company. The investments continue to remain important for your Company. A note relating to the accounting of these investments is included in the Annual Report.

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:

- India's current domestic capacity is heavily skewed towards fossil fuels which negatively impacts the environment. Regulatory orders to address climate change can adversely affect valuations of coal based power stations.
- 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.
- Though renewables are credited 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.
- Infrastructure constraints such as railways and port capacity may affect the transportation of coal.
- 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 for discoms.
- 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. This is compounded by the aversion of multilateral agencies such as ADB, World Bank etc. towards funding coal based power plants.
- 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:

- Cheaper coal sourcing for CGPL to contain under-recovery.
- Your Company is working with key stakeholders for extending the sale of power beyond current PPAs through Regulated Sale, Merchant/Bidded Sale, Captive Sale.
- Risks in Mumbai business due to frequently changing regulatory directions in respect of the distribution business
- Risks in Mumbai generation business due to expiration of PPA in 2018 and the extension of the PPA for remaining life of generating units. However, considering the importance of embedded generation units, your Company is pursuing with regulators for its continuation.
- 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.

Your Company is in advanced stages of discussion with the aforementioned distribution licensees to sign new PPAs and is also working to tie-up any surplus power via the open access or captive route.

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.

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. In May 2016, your Company celebrated Business Continuity Awareness Week for increasing the level of awareness amongst all the employees. Various initiatives like mock drills, training sessions, posters/ screen savers, quiz competition, etc. were undertaken across Tata Power group. In February 2017, BSI has conducted the audit and recommended your Company for recertification for ISO 22301:2012.

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 earnings from generation, transmission and distribution business and coal companies which make up 76% of the total business revenues as well as EBITDA. Majority of the businesses in the Company's core portfolio are based on assured returns through regulated businesses in the fields of generation, transmission and distribution. 59% of the revenues and 44% of the EBITDA contribution in the last fiscal came from the regulated businesses with the balance coming from businesses with market linked returns. 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 capitalizing on favourable market conditions while ensuring stable returns.

Highlights of operational performance of key entities are listed below.

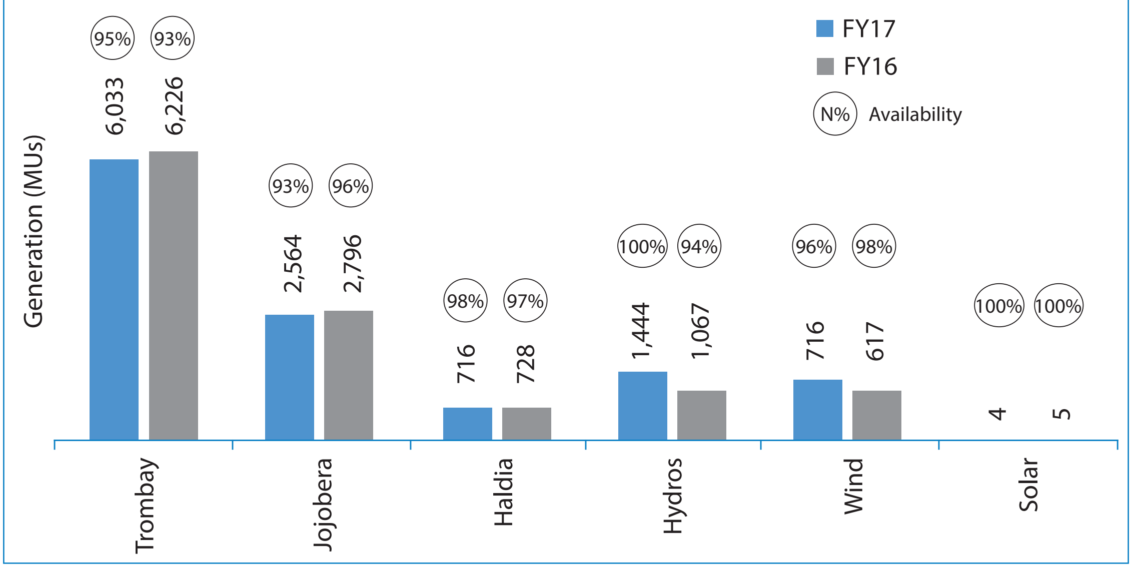
5.1. THE TATA POWER COMPANY LIMITED

(Table 2)

Particulars	FY17	FY16
Net sales (₹ crore)	7,282	8,316
PAT (₹ crore)	283	1,355

PAT was lower mainly due to loss towards contractual obligation for purchase of shares in TTSL from Docomo along with the increase in finance cost and impact of favourable regulatory orders in the previous year.

5.1.1. GENERATION



NOTE - Availability is the performance factor in the Company's control. MUs sold is a function of drawal by consumers/discoms and is not controlled by the Company

- **Trombay:** Generation was lower than previous year due to decreased load demand by procurers and a major overhaul of Unit 5, which remained down for 31 days. The plant has undertaken several operational improvement measures including reduction in auxiliary consumption etc. Trombay Thermal power station has also received the ISO 50001 certification for Energy Management System.
- **Jojobera:** Generation was lower than previous year on account of reduced load demand. The plant has undertaken certain improvement measures which have resulted in improvement in heat rate and reduction in auxiliary consumption.

- **Haldia:** Generation from Haldia was marginally lower in FY17 mainly due to lower supply of flue gas from the process plant of the source company. The plant has undertaken several measures for operational improvement including boiler efficiency improvement through partial removal of water wall refractory and reduction in duration of boiler outage through improvement in cooling process.
- **Hydro:** Generation was higher than 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 2017).
- **Renewables (Wind and Solar)**: Generation from wind and solar includes TPREL assets; solar generation was higher than the previous year due to better maintenance practices like optimized module cleaning cycles, additional tilts at solar plants and higher wind resources during high wind season of FY17. Your Company added 31 new solar sites and 2 wind sites as part of acquisition of Welspun. With this, the Company and its subsidiaries now operate in 13 states and 75 sites.

5.1.2. TRANSMISSION

- The Transmission assets, which were a part of the Mumbai License Area, had a grid availability of 99.63% 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.
- Following key projects were executed during the year:
  - o Second Circuit of 220 kV Salsette-Saki transmission line commissioned successfully during May 2016.
  - o Mahalaxmi 245 kV GIS and 33 kV GIS taken in load service on 21st November 2016.
  - o Conversion of bays to GIS in FY17.
- The Company organized 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 is to reduce electrical accidents that may be caused by unauthorized living in areas which are close to high voltage transmission lines. This is fourth year of success where no line tripping or human suffering was there due to kites during Sankranti season. Around 40,000 people were sensitized in various sessions throughout the year.
- To spread awareness on safety across the state of Maharashtra, your Company has actively participated in "Electrical Safety Week" organized by Chief Electrical Inspector as per direction of Government of Maharashtra. Tata Power's team arranged street plays/skits in various villages in Konkan region, hosted the closing session of Electrical Safety Rally at Tata Power Salsette Receiving Station, participated in Mahacharcha on Doordarshan and received an award for zero accidents from GoM.

5.1.3. DISTRIBUTION

The highlights of the Mumbai Distribution business are as follows:

- Distribution achieved 4977 MUs sales including 540 MUs to railways outside the license area, through Tata Power – Distribution MoU. Consumer base reached 6,75,371 in FY17 which includes 5,70,653 consumers and 1,04,718 direct consumers.
- Customer Satisfaction Score of 82% was achieved in FY17.
- Digitalization of business processes and customer integration achieved through initiatives like:
  - o Tata Power mobile application which launched on android as well as on iOS platform won the SAP ACE Award 2016
  - o Push-pull SMS in order to resolve various consumer queries
  - o Low cost solution of spot billing and spot collection introduced for consumers (around 5000 consumers being benefited)
  - o Online application facility launched on Tata Power web portal for:
    - ▪ New power supply connection
    - ▪ Open access
    - ▪ Reconnection
    - ▪ Roof top solar connection
  - o Outage information (planned outage) available on customer portal and for CRC executives

- o More payment options made available for consumers through wallets such as Paytm, Oxicash, Airtel money, Ola money, Pay Zapp, M-pesa etc.

- To enhance safety, overcoming the challenges of paucity of space and care for environment, Tata Power has commissioned:
  - o The first Multi Civic Amenities (MCA) substation of Mumbai City
  - o The first two tier distribution substation having ester filled power transformer on ground floor and HT and LT switchgear, auxiliaries on the 2nd tier
  - o A tamper proof feeder pillar in order to avoid illegal use for tapping of power supply
  - o 4th distribution substation (E-House) installed and successfully commissioned. E-House is a complete distribution substation designed, engineered and factory integrated, tested, validated and delivered on site.
  - o An automatic transfer of source by using RMU was successfully commissioned and put in service. It ensures power supply to the consumer through second available feeder without any manual intervention when main source fails.
- MOU between Mumbai Metro Rail Corporation Limited (MMRCL) and Tata Power signed to provide power supply to Metro-3 Project

5.1.4. SERVICES

In FY17, the Services division provided Project Management Services for about 1772.5 MW capacity of assets, O&M services for 399 MW capacity of assets, Corporate Management Services for 1492.5 MW capacity of assets and Asset Management Services for 488.2 MW capacity of Wind and Solar assets. In addition, the division provided services such as GIS testing, electrical testing etc., for various clients.

5.1.5 STRATEGIC ENGINEERING DIVISION - SED

Tata Power Strategic Engineering Division (SED) achieved a turnover of ₹ 548.14 crore in FY17 with an order backlog in excess of ₹ 1,220 crore as on 31st March 2017.

Some of the noteworthy achievements of SED during FY17 are listed below:

- SED delivered the first indigenous 155mm/52cal towed gun which is the world's first towed gun with all-electric drives. Post successful engineering testing, the Advanced Towed Artillery Gun System (ATAGS) was displayed at the Republic Day parade 2017.
- SED has received a Pinaka Order – the first sizeable weapon systems order placed with the private sector in last 2.5 years, from MoD.
- SED provided police and para military forces with Generation 3 Night Vision Devices (NVDs) with increased ability to see in the dark.
- SED and Javelin Joint Venture (Raytheon and Lockheed JV) entered into an agreement for co-production and technology partnership for Javelin ATGMs for Indian Army's Armoured vehicles program (BMP-II upgrade).
- MOU signed between IIT Guwahati and Signal Intelligence Directorate, with SED as the technology partner, to develop an advanced audio analytics system based on Artificial Intelligence and Big Data Analytics.
- A Fog Vision System called Trinetra developed and demonstrated to Railways in the presence of the Prime Minister.
- Subsequent to completion of the NABL Re-Certification Audit in October 2016 of the EMI EMC and ENV Test Labs, SED achieved Certification for Testing coverage of the additional new fields of Locomotives, Optronics, Telecom and Wireless Products and Electric Machinery.
- In recognition of SED's HR Practices
  - o The OD intervention by HR towards cultural transformation (DISHA) was featured in Dun & Bradstreet best practices 2017, and won first place at Business Excellence Awards 2016 (organized by Businessworld) and HR Game Changer Awards (2017).
  - o Peak Performance for women employees was featured as HR Best Practices 2017 by Dun & Bradstreet.
  - o SED featured in Working Mother's Media & Avatar "100 Best Companies for Working Women in India" under the D&I Initiative and was ranked at 20th position.

5.2. COASTAL GUJARAT POWER LIMITED - CGPL (4,000 MW)

Type of entity: Wholly owned subsidiary *(Table 3)*

Particulars	FY17	FY16
Generation Sales (MUs)	25,302	23,679
Net sales (₹ crore)	6,055	5,978
PAT (₹ crore)	(850)	1,437

Loss in FY17 was mainly due to increase in fuel prices, the under-recovery partly offset by reduction in finance cost and forex loss. Further, profit during FY16 was mainly due to reversal of impairment of ₹ 2,436 crore on property plant and equipment and intangible assets.

Under-recovery of fuel cost is listed below: *(Table 4)*

Particulars	FY17	FY16
Total Revenue * (₹ crore)	5,843	5,414
EBITDA (₹ crore)	328	733
Fuel under-recovery**		
₹ crore	(1,524)	(806)
₹ per kWh	(0.58)	(0.30)

*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 and supplementary revenue

APTEL had directed CERC to assess the compensatory relief to CGPL as may be available under the PPA. On appeals filed by Procurers in the Supreme Court, the Court rejected the Company's claim on the grant of compensatory claim due to change in law or force majeure event. As the Company had not recognized any revenue for compensatory tariff till date, there is no impact of the Supreme Court order on the financial statements.

It is pertinent to note that decrease in EBIDTA and, consequently, PAT in CGPL is due to the sharp increase in coal prices in the second half of FY17. The Company has a 30% stake in the Indonesian coal mines and its proportionate capacity ownership matches with the coal requirement at the Mundra plant. This acts as a natural hedge.

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.

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

Type of entity: Subsidiary (Tata Power: 74%, DVC: 26%) *(Table 5)*

Particulars	FY17	FY16
Generation Sales (MUs)	6,957	6,781
Net sales (₹ crore)	2,405	2,312
PAT (₹ crore)	256	190

PAT increase is mainly due to reduction in finance cost on account of lower borrowings and refinancing, higher revenue on account of entire installed capacity being tied up, and gain on mutual fund investments.

The improvement in financial performance in FY17 was on account of full tie up of sale of power followed by improved operational and financial performance, lesser outages and lower operating expenses on account of fuel.

The credit rating of the Company has been upgraded from CRISIL AA-/ (stable) to CARE AA / (stable).

The company has issued the 2nd tranche of NCDs of ₹ 500 crore at 8% fixed interest rate on 9th February 2017. The NCDs have a door-to-door maturity of 10 years with redemption of 20% each year from 6th year onwards.

Awards and accolades received in FY17:

- CII BE Star Awards - Leader for Excellence in Operations Management
- CII BE Star Awards - Emerging Leader for Excellence in People Management
- SAFEE Global Award for Energy management
- FICCI Awards for Business Excellence
- NSC Bronze Award in Manufacturing sector for Safety Management

5.4. INDUSTRIAL ENERGY LIMITED- IEL (375 MW)

Type of entity: Subsidiary (Tata Power: 74%, Tata Steel: 26%) (Joint Venture under Ind AS) *(Table 6)*

Particulars	FY17	FY16
Generation Sales (MUs)	2,376	1,730
Net sales (₹ crore)	528	448
PAT (₹ crore)	62	55

PAT increased due to increase in lease income, as a result of Kalinganagar Units 1 & 2 being operational throughout the year, partly offset by increase in finance cost and in taxes pursuant to introduction of IndAS.

IEL operates a 120 MW 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. It has commenced operation of 2 out of 3 units of 67.5 MW each of co-generation plant at Kalinganagar, Odisha, deploying production gases from Tata Steel's plant. Two units (Unit 1 & 2) of the plant have been synchronized on 1st February 2016 and 11th February 2016 respectively. Both units have been certified for ISO 9001-2015, ISO 14001-2015, OHSAS 18001-2007 & ISO 50001-2011 (Energy Management system).

Project Execution

The company is executing the third unit of 3 x 67.5 MW co-generation plant at Kalinganagar, Odisha, deploying production gases from Tata Steel's plant which is under development, based on discussions with Tata Steel for the phase two of the steel plant.

5.5. TATA POWER RENEWABLE ENERGY LIMITED - TPREL (1459 MW)

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

Particulars	FY17	FY16
Generation Sales (MUs)	533	328
Net sales (₹ crore)	985	240
PAT (₹ crore)	140	15

The numbers presented above are consolidated TPREL numbers including WREPL.

The Company's higher revenue and PAT was due to addition of new wind and solar capacity during the year, as well as stabilization of capacities added in the previous year. New capacity was added during the year through the 44 MW wind farm at Rojmal in Gujarat, 100 MW wind farm at Nimbagallu in Andhra Pradesh and 15 MW solar plant at Belampalli in Telangana. The year also saw significant capacity addition through M&A with 1010 MW* of solar and wind capacity through the acquisition of Welspun Renewables Energy Pvt. Ltd., and 30 MW wind farm at Jath in Maharashtra through the acquisition of IndoRama Renewables Jath Ltd. The overall commissioned capacity at the end of FY17 was 1459.2 MW.

*The corresponding DC capacity is 1140 MW, while the PPA capacity is 1010 MW

5.5.1. WELSPUN RENEWABLES ENERGY PRIVATE LIMITED - WREPL (CONSOLIDATED)

Type of entity: Wholly owned subsidiary (through TPREL)

TRPEL acquired WREPL in September 2016. WREPL is now a fully owned subsidiary of TPREL and has one of the largest operating solar portfolios spread across India in the states of Rajasthan, Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Karnataka, Punjab, Maharashtra, Gujarat and Bihar. It has an operating capacity of 1140 MW out of which 995 MW is Solar and 146 MW of Wind Power. A major part of the capacity is in Tamil Nadu, followed by Madhya Pradesh, Karnataka and Andhra Pradesh as indicated in the table below.

(Table 8)

Sr. No.	State	Capacity in MW
1	Tamil Nadu	302
2	Madhya Pradesh	151
3	Karnataka	133
4	Andhra Pradesh	131
5	Maharashtra	72
6	Rajasthan (Solar + Wind)	218
7	Gujarat	50
8	Bihar	44
9	Punjab	38
10	Uttar Pradesh (Honda Rooftop)	1
Total Solar & Wind Capacity		1140

Operating performance

The integration of WREPL is nearing completion. The net generation achieved by WREPL in FY17 was 1475 MUs of which 879 MUs have been generated since acquisition.

Financial Performance *(Table 9)*

Particulars	14th September 2016 to 31st March 2017
Generation Sales (MUs)	879
Net sales (₹ crore)	634
PAT (₹ crore)	106

WREPL has achieved a total revenue of ₹ 634 crore and a PAT of ₹ 106 crore post acquisition till the end of March 2017. All pending projects are now fully commissioned and the company is actively resolving bottlenecks to maximize generation. A substantial portion of the existing debt has been replaced with lower cost borrowings.

5.6. POWERLINKS TRANSMISSION LIMITED - PTL

Type of entity: Subsidiary (Tata Power: 51%, PGCIL: 49%) (Joint Venture under Ind AS) *(Table 10)*

Particulars	FY17	FY16
Net sales (₹ crore)	151	164
PAT (₹ crore)	196	122

PAT increased due to MAT credit availed as per the amendment in Income Tax law.

Operations

The availability of the lines was maintained at 99.30% for Eastern Region in FY17 (previous year availability stood at 99.14%) and 99.98% for Northern Region (previous year availability was 99.91%), as against the minimum stipulated availability of 98.50%.

5.7. TATA POWER DELHI DISTRIBUTION LIMITED - TPDDL

Type of entity: Subsidiary (Tata Power: 51%, Government of National Capital Territory (NCT) of Delhi: 49%) *(Table 11)*

Particulars	FY17	FY16
Generation Sales (MUs)	8,270	7,868
Net sales (₹ crore)	6,745	6,662
PAT (₹ crore)	262	175

PAT increased with increased volumes and reduction in finance cost.

Operations

In FY17, TPDDL had a registered base of 15.80 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 8.60% against 8.80% last year. TPDDL also met a peak demand of 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 43 hours against 45 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 40% from 1.19 to 0.74. 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 26 in 2017 from 70 in 2016 and 137 in 2015.

On the technology front, TPDDL implemented Field Force Automation (FFA) for automation of Metering services and attending to complaints and Smart Revenue Recovery Device (SMRD) for capturing real time updates, photographs etc., hence making the recovery process more effective. Apart from this, TPDDL has successfully completed Integrated Communicating Technology (ICT) project which involved migration from old technology to newer systems for connecting various offices, grids etc. TPDDL also set up a state-of-the-art 'Smartgrid Lab' demonstrating the smart grid technologies being used worldwide with integration of roof top solar, energy storage, E-vehicle charging facility, demand response and micro grid facilities.

In view of its vision of growth beyond its licensed area, TPDDL has supported your Company in enhancing its footprints and emerge as a winner of the bid for distribution franchisee for the Ajmer City Circle for a period of 20 years. It has also entered into management and technical services agreement of Kaduna & Kano Distribution Companies (Nigeria). Apart from this, it has also worked on some critical projects including Smart Grid Pilot Project in Chandigarh, Jharkhand PMC services for DDUGJY, World Bank - Technology Training and USTDA Funding - SMART Grid Training, Project Management Consultant for Implementation of Assam Solar Rooftop Project, SCADA / Network Protection Study Report Consultancy in Bangladesh etc.

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

During the year, TPDDL took several initiatives such as:

- Commissioning of 12 KW Micro Grid at Tayabpur, District Vaishali, Bihar benefiting 160 households
- Setting up a test lab to optimize cost and enhance efficiency of batteries and DC appliances
- Signed an MoU with Tabuchi Electric (Japan) for setting up a one of its kind bi-directional DC hybrid inverter
- 13 pilots for home automation were completed and an in-house mobile application and API with interoperability feature was developed
- An MoU was signed with AES (Mitsubishi) and approval was received from regulatory commission to set up 10 MW storage capacity which is a first of its kind in Asia etc.
- TPDDL became the only DISCOM which has obtained the highest grading from ICRA for ESCO Services and has booked load of 21.64 MW under external Energy Audits

5.8. TATA POWER TRADING COMPANY LIMITED - TPTCL

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

Particulars	FY17	FY16
Generation Sales (MUs)	14,583	17,309
Net sales (₹ crore)	4,606	5,943
PAT (₹ crore)	5	19

Revenue and PAT reduced mainly due to losses from Dagachhu power sales as complete access was not allowed for cross border sales.

The company has agreed to revise the terms of PPA with Dagachhu Power, Bhutan to reflect the current regulatory and market constraints in importing power from Bhutan. The company has been able to reduce the tariff from ₹ 3.02 per kWh to ₹ 2.60 per kWh for a period of 1 year starting 1st March 2017.

5.9. TRUST ENERGY RESOURCES PTE. LIMITED - TRUST ENERGY

Type of entity: Wholly owned subsidiary *(Table 13)*

Particulars	FY17	FY16
Net sales (₹ crore)	482	310
PAT (₹ crore)	190	73

Sales and PAT increased with addition of a new ship to the fleet.

All the 3 owned ships under Trust Energy maintained an overall availability of close to 99% with no safety related incidents. A new vessel (210,000 DWT) has been acquired and contracted to securitize the freight of CGPL for twenty years. The company has also undertaken several measures to improve the operating efficiencies, reduce operating expenditure (OPEX) viz. reduction in insurance premium and ensuring a lean structure to manage overhead costs.

5.10. 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.

In FY14, your Company signed an agreement to sell its 30% stake in PT Arutmin Indonesia and associated companies in coal trading and infrastructure. The aggregate consideration for Tata Power's 30% stake is USD 510 million, subject to certain closing adjustments and restructuring actions. However, the Conditions Precedent to closing the transaction could not be completed in FY16 particularly due to poor outlook of coal prices and delay in getting consent of bankers and key stakeholders for restructuring and splitting of the infrastructure company holding the combined asset of KPC and Arutmin. The buyer of the shares is currently undergoing financial restructuring as a result of which, the consideration is taken to be received in a phased manner. Your Company is pursuing steps to conclude this transaction. Consideration has reduced to USD 400.92 million in FY17. Consequent to transition to IndAS, the Company has stopped consolidating the accounts of PT Arutmin Indonesia and PT Mitratama Perkasa.

PT Kaltim Prima Coal, Indonesia *(Table 14)*

Particulars	FY17	FY16
Net sales (₹ crore)	6,521	5,797
PAT (₹ crore)	465	11

The coal price realization for the year was USD 54.53/tonne as compared to USD 51.48/tonne in the previous year.

PT Baramulti Suksessarana Tbk. and PT Antang Gunung Meratus Indonesia *(Table 15)*

Particulars	FY17	FY16
Net sales (₹ crore)	491	417
PAT (₹ crore)	71	39

The production at the Indonesian thermal coal mining companies, viz. PT Kaltim Prima Coal and PT Baramulti Suksessarana Tbk. and PT Antang Gunung Meratus Indonesia during FY17 was 66.81 MT as against 65.33 MT in PY16.

The status of infrastructure companies at Indonesia was as under:

PT Nusa Tambang Pratama, Indonesia *(Table 16)*

Particulars	FY17	FY16
Net sales (₹ crore)	260	149
PAT (₹ crore)	133	77

5.11. TATA POWER SOLAR SYSTEMS LIMITED - TPSSL

Type of entity: Wholly owned subsidiary *(Table 17)*

Particulars	FY17	FY16
Net sales (₹ crore)	2,261	1,490
PAT (₹ crore)	78	18

During the year, there was a significant improvement in TPSSL's bottom line due to enhanced business volumes and efficient operational performance leading to the company making a considerable amount of net profit in FY17, ending a 5-year period of net losses. The company achieved an all-time high revenue of ₹ 2,261 crore.

Operations

- **Solar Photovoltaic (PV) Cells & Modules and Projects:** TPSSL undertook expansion and modernization of its cell and module manufacturing facilities. The two-stage expansion doubled the company's module capacity to 400 MW from 200 MW, and increased its cell manufacturing capacity by 65 per cent from 180 MW to 300 MW. During the year, the company commissioned a total of 326 MW of utility scale projects, all on time, including 165 MW with in-house manufactured modules. The company also won orders and commissioned projects for multiple blue-chip private developers. At the end of the year, TPSSL had a cumulative unexecuted pipeline of 593 MW.
- **Solar Rooftop Projects:** The year saw robust activity in the rooftop segment across all categories- residential, institutional & commercial and industrial. During the year, the company booked over 50 MW of rooftop orders and installed India's largest carport solar project at Cochin International Airport. The company has cumulatively bagged projects over 1000 MW since inception.

5.12. CENNERGI PTY LIMITED - CENNERGI

Type of entity: Joint Venture [Tata Power (through Khopoli) 50%, Exxaro Resources Limited 50%] *(Table 18)*

Particulars	FY17	FY16
Revenue (₹ crore)	200	2
(Loss)/Profit (₹ crore)	(55)	15

Cennergi is an independent power producer jointly owned by Tata Power (50%) and Exxaro Resources (50%). The company was awarded with two projects in the South African governments' Independent Power Producer Procurement Programme (IPPPP). The 134 MW, Amakhala Emoyeni RE Project 01 (RF) (Pty) Ltd. project achieved COD in July 2016 with the 95 MW, Tsitsikamma Community Wind Farm (RF) (Pty) Ltd. reaching COD in August 2016. The gain in FY16 is on account of interest rate swaps.

Two Community Trusts were established in Q1 of 2017 as a part of Cennergi group complying with the terms of the bid relating to Economic and Socio-Economic Development obligations.

While both projects are operating well and exceeding their contractual requirements, it is the accounting treatment between South African GAAP and IndAS that brings non cash loss to the bottom line.

5.13. DAGACHHU HYDRO POWER CORPORATION LIMITED - DHPC

Type of entity: Associate (Tata Power 26%, DGPC & Affiliates: 74%) *(Table 19)*

Particulars	FY17	FY16
Generation Sales (MUs)	449	331
Net sales (₹ crore)	31	26
PAT	13	(7)

The profits have increased with increased volumes and exchange gains.

DHPC (126 MW) sold 448.59 MU energy at Indo Bhutan periphery during FY17 against designed energy of 502 MU. The shortage was primarily due to failure of Generator Transformer bushing of Unit-1 in September 2016.

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.

5.14. ITEZHI TEZHI POWER CORPORATION LIMITED - ITPC

Type of entity: Joint Venture (Tata Power: 50%, ZESCO: 50%) *(Table 20)*

Particulars	FY17	FY16
Generation Sales (MUs)	618	60
Net sales (₹ crore)	265	-
PAT (₹ crore)	110	32

ITPC has commenced commercial operations during the current year.

In 2007, the Government of the Republic of Zambia facilitated the incorporation of a Special Purpose Vehicle (SPV) called Itezhi Tezhi Power Corporation Limited (ITPC), to implement the development of, and to operate, the Itezhi Tezhi Hydropower plant with a capacity of 120 MW. The SPV is owned by Tata Power and ZESCO Limited in a 50:50 ratio.

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), Netherlands Development Finance Company (FMO) and Proparco.

Construction of the power station started in 2012 and it achieved Commercial Operations in May 2016. ITPC posted positive key financials with turnover of USD 79 million and a net profit of USD 33 million in its inaugural year of operations. The annual availability of the power plant stood at 87.4% with total energy generation at the end of the year of 625.9 MUs at a Plant Load Factor of 59.4%. Generation was constrained by low water levels in the reservoir during a part of the year.

The power station has recorded good safety performance since commissioning without any man hours lost due to accidents, and costs have been managed within the investment parameters.

ITPC has begun to engage the local communities and civic leaders in and around Itezhi Tezhi district to identify Corporate Social Responsibility (CSR) projects. The CSR projects to be carried out will be selected from the focus areas of Health, Education, Water & Sanitation and Rural Electrification in rural areas.

5.15. ADJARISTSQALI GEORGIA LLC - AGL

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. AGL is a joint venture between Clean Energy Invest AS (Norway), Tata Power International Pte Ltd, and IFC, a member of the World Bank Group. The Project is funded by debt of USD 250 million at 60:40 debt to equity ratio by a consortium of lenders - IFC, European Bank for Reconstruction and Development (EBRD) and Asian Development Bank (ADB).

The HPP has three tunnels aggregating to approx. 38 kms. of length. These tunnels were successfully completed in record time.

The Project expects to achieve commercial operation in the quarter ending June 2017. The Shuakhevi HPP aims to satisfy the domestic electricity demand during winter, thus reducing Georgia's dependence on imported fuel and increasing its renewable energy output. 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.

With an objective to ensure sustainable development in mountainous Adjara region, a comprehensive program of CSR projects has been developed in association with local and international NGOs and IFC. With around 70 social responsibility projects being implemented during the construction phase, the CSR strategy for operational phase has also been developed. AGL seeks to improve the living standards of the local population and CSR would remain a focus area in the operations phase as well.

6. PROJECTS COMMISSIONED DURING FY17

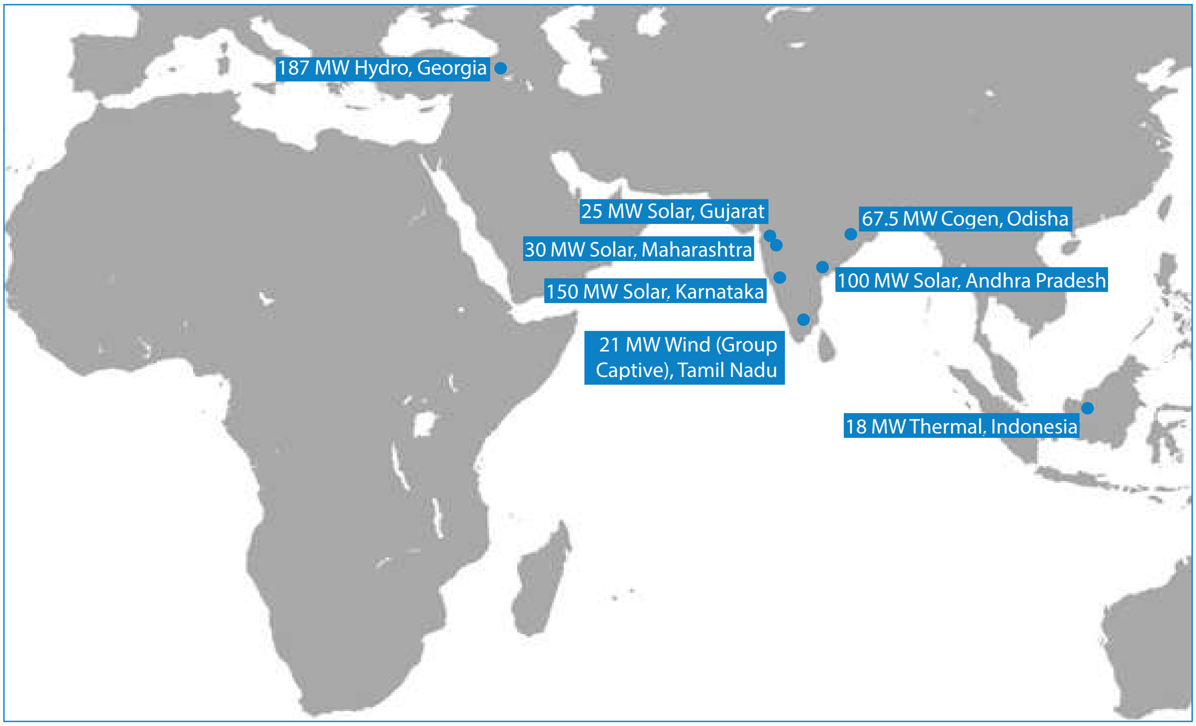
Domestic *(Table 21)*

Vehicle for project execution	Scale	Key Highlights
TPREL	159 MW	Projects commissioned by TPREL in FY17 were • 44 MW wind farm at Rojmal (Gujarat) • 100 MW wind farm at Nimbagallu (Andhra Pradesh) • 15 MW solar plant at Belampalli (Telangana)
Acquisition by TPREL	1010 MW	864 MW solar capacity and 146 MW wind capacity was added in FY17 through the acquisition of WREPL during September 2016.
Acquisition by TPREL	30 MW	30 MW wind capacity through the acquisition of Indo Rama Renewables Jath Ltd. in April 2016.

International *(Table 22)*

Vehicle for project execution	Scale	Key Highlights
Cennergi Pty. Ltd.	230 MW	Both the projects have commenced Commercial Operation in Q2 FY17.
PT Citra Kusuma Perdana	36 MW	Coal fired power project in Sangatta, East Kalimantan province in Indonesia for captive power consumption by PT Kaltim Prima Coal (KPC). The first and second units out of the 3x18 MW configuration have been synchronized in October 2016 and March 2017, respectively.

7. PROJECTS UNDER EXECUTION



Domestic Projects under Execution: *(Table 23)*

Vehicle for project execution	Scale	Key Highlights
TPREL	21 MW (Wind) 305 MW (Solar)	Project in Tamil Nadu. Projects in Maharashtra, Karnataka, Andhra Pradesh and Gujarat won through competitive bidding
IEL	67.5 MW	Work is currently under progress for the third unit of 67.5 MW capacity.
TP Ajmer Distribution Limited	Area - 55 sq. kms. MUs - 477 MUs Consumers - 1.33 lakh Existing AT&C losses - 17.9%	Since it is a small area, the Company is confident of arresting the losses in a more efficient way. The Special Purpose Company (SPC) has already been formed and a dedicated team deployed to commence takeover activities. Distribution Franchisee Agreement has been signed with Ajmer Vidyut Vitran Nigam Limited (AVVNL) on 21st April 2017.

International Projects under Execution: *(Table 24)*

Vehicle for project execution	Scale	Key Highlights
Adjaristsqali Georgia LLC	187 MW	The construction work for the Project is in full swing. Commercial Operation is expected by Q2 of FY 18
PT Citra Kusuma Perdana	18 MW	The third unit of the 3x18MW configuration is under construction at Sangatta, East Kalimantan province in Indonesia

8. POTENTIAL GROWTH AREAS

The sector offers multiple growth opportunities for your Company in India and select international geographies, including M&A opportunities. During the past year, the Company added projects in renewable energy based generation in India and overseas. Your Company's subsidiary, TPREL, dealing with renewable energy based generation, also acquired two companies adding more than 1 GW of generation capacity to its generation portfolio. 230 MW of wind generation assets were also commissioned by your Company's JV Cennergi Pty. Ltd. in South Africa. Your Company also won the Distribution Franchisee license for the city of Ajmer in Rajasthan.

Domestic

Depending upon growth of domestic demand and resolution of Discom issues leading to procurement of bulk power under competitive bidding, your Company has a healthy pipeline of opportunities to bid from at various locations across India.

International

Your Company keeps evaluating international opportunities in the select geographies. In addition to South East Asia, your Company has been also focusing on Sub-Saharan Africa, Turkey and Middle East.

9. ENABLERS TO BUSINESS

9.1. 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 is hosted on its website: *https://www.tatapower.com/sustainability/sustainability-communications.aspx. (Alternately, scan the adjacent QR Code using a mobile device to read the policy on the company website.)*

9.1.1. CARE FOR OUR PEOPLE

- Safety: Safety has been adopted as a core value at your Company and is hence the first 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 the year. Training and awareness programs and safety drills were carried out across various locations of the organisation.

- Employee Engagement: The employee engagement score conducted for officers of your Company determined through Aon Hewitt survey in FY17 was 74%. This is above the industry average of 68% and is a sector benchmark in India.
- Industrial Relations: Your Company has, since its inception, supported working collaboratively with all stakeholders to maintain a cordial industrial relationship at all locations. The activities at all locations progressed peacefully and cordially during the year.
- Sexual Harassment: The Company has zero tolerance for sexual harassment at the workplace 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. An Internal Complaints Committee (ICC) has been set up 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.

  The following is a summary of sexual harassment issues raised, attended and dispensed during FY17:

  o No. of complaints received: 1

  o No. of complaints disposed off: 1

  o No. of cases pending for more than 90 days: Nil

  o No. of workshops on awareness program against sexual harassment carried out: 8

9.1.2. CARE FOR COMMUNITY

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

- Primary Education with focus on the girl child
- Health and Drinking Water
- Livelihood and Employability
- Social Capital and Infrastructure
- Inclusive Growth

Details of CSR spend by the Company is given in Annexure-I of the Board's Report. CSR activities undertaken by the major operating subsidiaries and joint ventures with significant spend are as follows:

A) Tata Power Delhi Distribution Limited

In FY17, TPDDL undertook the following CSR initiatives with the objective of enriching the lives of residents of underprivileged communities:

- 350 training centers imparted functional literacy to 19,200 women.
- 44 RO plants were installed in schools, clusters, metro railway stations providing potable drinking water to nearly 1.9 lakh individuals.
- Education support program for SC/ST students benefited 1,100 students from 46 government schools and 407 students from ITI, polytechnic, engineering and graduation colleges.
- 18 vocational training centers trained 4,025 youths in the vocations of computer, beautician, electrician, tally, DTP and tailoring etc.
- 62 drug de-addiction camps were organized which provided counseling and free homeopathy medicines to nearly 9,000 beneficiaries.

Notable awards received during the year by TPDDL were:

1. Tata Volunteering Week award for highest volunteers' participation and highest participation rate consecutively for three years.
2. SKOCH Order Of Merit and Silver Award 2016 under Blue Economy for "Empowering Women Beyond Boundaries".
3. ABP News CSR Leadership Awards for Women Empowerment 2016.

B) Coastal Gujarat Power Limited

The CSR expenditures were made to respond to local demands 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 boat fishermen, ground work for prawn farming and crab fattening programs etc. initiated under Sagarbandhu program along with establishment of 'Fishermen Training Centre'.
- CGPL supplied fodder for 3,600 cattle which benefited 450 cattle owners under Kanthi Area Livelihood program.
- CGPL, in partnership with Gujarat Green Revolution Company (GGRC), launched a substantial micro irrigation programme by providing financial support to farmers, 503 hectares have been covered benefiting 263 farmers.
- A massive campaign was undertaken to educate cattle owners regarding spread of Brucellosis and also its impact on the cattle population.
- CGPL addressed the issue of "Quality Education" by promoting 'Learning achievement' in 132 schools in 50 villages benefiting 13,501 students.
- Sanitation (Swachh Block)- CGPL has worked in Mandvi block with an aim to ensure that all families have access to sanitary toilets and the block is "open defecation free".

The CAO-IFC had received a fresh complaint from the local fisher-community in February 2016, following which CAO undertook field investigation in April 2016. CAO has put up their complaint review report on their website, in February 2017. The latest summary of status of the 16 action points reflected in the Management and Monitoring (M&M) plan is available on CGPL micro site. With regard to the CRP-ADB related issues, a categorical status update (as of end April 2017) on five action points is also put on the CGPL micro site. CGPL has worked with reputed institutions (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 inlet and outfall channel. Apart from ESP, ETP, and STP for emission and effluent control, the company has undertaken extra initiatives to develop biodiversity management plans in the region. The company has also taken a leading role in participatory groundwater management in the Kankavati aquifer, with a blend of demand management and supply augmentation initiatives. Assurance activities in the form of experimental cage fishing in the outfall channel has also continued which, after 19 rounds, has decisively established that there is no adverse impact on variety of fish culture.

The positive social impact of these initiatives is measured in terms of CSI (community satisfaction index), which has shown a consistent increase over the years (2010-11: 24.6%; 2011-12: 26.2%; 2012-13: 61.81%; 2013-2015: 62.28%; 2015-16: 70%). This is a composite index consisting of community reactions to multi-sector CSR initiatives undertaken by CGPL and is measured through scientific means by Government accredited expert agency (MGLI - Mahatma Gandhi Labour Institute). On the other hand, there are certain disgruntled elements and vested interests operating at local level. These groups have continued to make false allegations of adverse impact on the marine environment and livelihood of society due to CGPL operations, in terms of increasing temperatures of sea water, ingress of salinity, loss of livelihood and demanded related compensation. However, CGPL has undertaken sufficient assurance studies and remedial actions in this regard. All CSR activities of CGPL are implemented through community organizations (VDACs).While all efforts undertaken by CGPL are well documented, the allegations made by complainants are unsubstantiated and not backed by credible data.

C) Maithon Power Limited

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

- Agriculture and allied sectors were promoted in the area in partnership with BAIF, wherein a 5 years holistic development plan to establish 300 Wadi, on 225 acres of land with irrigation facilities with an aim to integrate 1000 families in livestock industry was initiated. As a part of the program, Wadi has been developed in 225 acres of land and 'Breed Development Centre' for goats was established, benefiting 770 families.
- More than 600 youths were provided with technical skills in power sector though Tata Power Skill Development Institute (TPSDI) at MPL.
- MPL initiated an education excellence program, in collaboration with TPTCL and developed digital classrooms in 32 schools in order to bridge their learning gap to help 6623 students.
- 311 local youth and students were provided with soft skill trainings, computer literacy and coaching for competitive examinations.

D) Powerlinks Transmission Limited

- Powerlinks undertook project 'Hausla' to support and empower adolescent girls in the Maharajganj District of Uttar Pradesh.
- To ensure access to pure and safe drinking water, water purifiers have been installed in government schools reaching out to over 50,000 students.
- Powerlinks has been proactively involved in livelihood generation programs for the specially abled in association with SARTHAK (NGO).

E) Industrial Energy Limited

- 30 girl students from indigenous tribal communities across 21 villages were provided educational and residential facilities at Kalinga Institute of Social Sciences (KISS).
- At Jojobera, learning camps were conducted in government schools across 20 villages, where 1054 students reaped the benefits of the learning camps.
- IEL worked with rural community and formulated Village Development Committees (VDC) in 20 villages and 20 SHGs to provide them with sustainable livelihood options.
- A community centre was set up in Arasahi village of Jajpur district which has helped in creating recreation and assembling space for 260 individuals around the villages.
- Well-equipped water, sanitation and hygiene (WASH) infrastructure was made available in schools and colleges across 3 villages, benefiting 800 girl students.
- In Balipal village, a solar micro grid project was established which meets the power requirement of the villagers during power cuts.
- To electrify villages, solar street lights were installed by IEL in 15 villages of Jajpur district. This has benefited 2100 resident villagers.

F) Tata Power Trading Company Limited

TPTCL entered into a MoU with TPCDT to implement its community development initiatives at Maithon, Jharkhand. This involves education excellence intervention in 34 schools catering to 3000 students and setting up solar RO water plant in Dombui village near MPL. Skill development program was provided at Shakurpur, New Delhi covering 220 students. TPTCL put up a 5 KW solar rooftop for an Old Age Home, Jan Kalyan Trust in Noida. Also, TPTCL supported Udyan Ghar (a foster home in Greater Noida) with a seven seater vehicle for transportation of girls of the Udyan Ghar for their safety.

G) Tata Power Renewable Energy Limited

TPREL undertook CSR initiatives in the vicinity of the Palsawade 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) Welspun Renewables Energy Pvt. Ltd.

Through social and community development interventions, WREPL has tried to address some of the community issues under the following CSR focus areas:

- Providing a conducive environment to students for learning in Government schools
- Improving livelihood opportunity among women and youth
- Providing access to potable drinking water, better health care and increasing green cover to improve the environment
- Planting and maintaining saplings with the community participation

Specific initiatives under each of these focus areas are covered in detail below:

- Infrastructure support to schools and Anganwadi touching 2187 students through drinking water access, toilet repair or construction, building renovation, electrification and school compound wall.
- Shiksha Karmi (Para teacher) Programme: This programme engaged 25 teachers in offering need based special coaching in English, Maths and Science to slow learners numbering 3440 from 17 schools in Jodhpur, Pratapgarh and Karnataka states.

- Nav Kiran Stitching Centre are run by WREPL in partnership with Usha International Limited with the aim of offering skill training to women.
- WREPL joined hands with veterinary departments in creating awareness and maximizing the participation and thus increasing reach. These camps witnessed participation by 4919 cattle belonging to 1384 people in Madhya Pradesh, Rajasthan and Tamil Nadu.

WREPL in partnership with the Nehru Yuva Kendra (NYK), Karur District has set up a 'Youth Facilitation Centre' with the aim of promoting digital literacy in alignment with the Prime Minister's vision of "Digital India".

9.1.3. CARE FOR OUR ENVIRONMENT

The following key initiatives were completed in FY17:

- Completed project for identification of Polychlorinated Biphenyls (PCB) in your Company
- Completed natural capital valuation for hydro stations
- Your Company bagged CII-ITC Sustainability Awards 2016 - commendation for Significant Achievement in Biodiversity.
- Your Company's Corporate Centre, Carnac office has been awarded IGBC Gold rating under 'Green Existing buildings' category.

9.1.4. CARE FOR OUR CUSTOMERS

Tata Power has different approaches for engaging with and receiving feedback from customers across generation, transmission, distribution, trading and solar business streams. The approach depends upon the nature of business and customer needs in each segment. The information or the feedback obtained through the above listening and learning (L&L) approaches is reviewed during review meetings and improvements are initiated across the customer value chain. In addition to formal and informal approaches in L&L mechanisms, surveys are conducted with different sets of questionnaires for different customer segments across various lines of businesses, based on the differentiated needs of the customer groups, to determine their satisfaction, dissatisfaction, loyalty and advocacy.

Tata Power's alignment to Customer Promise and the various initiatives for delivering superior value and superior experience to customers are listed below:

Customer Promise

1. Develop insights on customer needs
2. Deliver quality product & services
3. Delight customers with great experience

Customer Affection Statement- **To earn affection of customers by delivering superior value and superior experience thereby making them our ambassadors.**

LOB	Superior Value	Superior Experience
Generation	1. Reliability - Islanding Schemes & Redundancy in technology 2. Generation Mix - Conventional & Non-Conventional 3. Multiple business model	1. One-on-One Relationship Management 2. Access to SLT 3. Joint teams for improvement 4. Good behaviour of personnel
Transmission	1. Grid Availability 2. Availability of Outlets 3. Power Quality	1. Real-time coordination 2. Good behavior of personnel
Distribution	1. High reliability (SAIDI, SAIFI) supported by Ring Feed and Connected Generation 2. Customized Solution to meet technical and aesthetic requirements 3. Power Quality 4. VAS - DS M, Safety Audit, Energy audit, OEM Training	1. Superior Experience at access points - a. Low wait time and call drop; b. Resolution in first touch, c. Good behavior of personnel 2. "e-Services - complete suite of services on Mobile App & desktop Webpage; launch of AI-based chatbot Tina

9.2. 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 ₹ 1200 crore in WREPL with Non-Convertible-Debentures (NCDs).
- Replacement of ₹ 500 crore of Long term Borrowing in MPL with NCDs.
- Issuance of ₹ 575 crore of NCDs in TPREL to refinance existing debt.
- Issuance of ₹ 104 crore of NCDs in PTL to refinance existing debt.

Borrowings

Outstanding borrowings of the Company as on 31st March 2017 are as follows: *(Table 25)*

Particulars	Standalone (₹ crore)	Consolidated (₹ crore)
Long Term Borrowings	8,848	25,143
Short Term Borrowings	2,392	16,280
Current maturing of LTB	5,264	7,393
Total	**16,504**	**48,816**

(Table 26)

Particulars	Standalone (₹ crore)	Consolidated (₹ crore)
Rupee Borrowings	15,709	32,252
Foreign Currency Borrowings	795	16,564
Total	**16,504**	**48,816**

Debt repayment

During the year, an amount of ₹ 5,943 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 21; Consolidated – Note 21]

Repayment Schedule (Standalone) Figures in ₹ crore *(Table 27)*

	FY18	FY19	FY20	FY21	FY22	FY23 & Beyond
Bonds	4,927	1,041	541	41	36	2,364
Term Loan	337	1,209	721	315	309	2,284

Leverage as on 31st March 2017:

Standalone *(Table 28)*

Particulars	FY17	FY16
Debt/Equity, Standalone	1.00	0.67
EBITDA/Net Debt, Standalone	0.19	0.31

Consolidated *(Table 29)*

Particulars	FY17	FY16
Debt/Equity, Consolidated, without Minority Interest	3.68	2.96
Debt/Equity, Consolidated, including Minority Interest	3.22	2.61

Credit Rating

As on 19th May 2017, your Company had the following five credit ratings. The ratings have been assigned on the basis of consolidated credit profile of Tata Power and its subsidiaries:

- Standard & Poor's Rating Services: B+ with Stable Outlook
- Moody's Investor Services: Ba3 With Negative Outlook

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

Hedging - Currency and Interest Rate Risk

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 2 billion of currency exposures, out of which nearly three-fourths is hedged. Besides currency, the Company has also exposures on the interest rate i.e. USD LIBOR as it has borrowed in the foreign currency. The interest rate risk is also managed through suitable hedging strategies. With the adoption of the IndAS, all the derivative instruments are 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 before tax, has reduced from ₹ 2,947.25 crore in FY16 to ₹ 2,106.04 crore in FY17. This is primarily due to lower operating profits and increased working capital. On a consolidated level, net cash flow from operating activities decreased from ₹ 7,426.01 crore to ₹ 6,957.68 crore.

9.3. BUSINESS EXCELLENCE

- Improvements - Your Company continued its cost saving activities under the cost saving initiatives under Business Excellence. The cost saving initiatives saved an amount of nearly ₹ 161 crore during the year. The major programs under these initiatives were as under:
    - o Sankalp - This is a program to bring in operational excellence, delivery excellence and cost efficiency using the Total Operational Performance methodology. During the year, 17 projects were completed and 68 officers participated in these projects.
    - o Structured Problem Solving (SPS) - SPS attempts to analyse data available from various processes, using quality tools, to arrive at solutions for continuous improvements.
    - o Six Sigma - This methodology has been recently introduced in your Company across 28 projects. Trainings of employees have been conducted and we have 12 Black Belts, 175 Yellow Belts and 19 Green Belts.
- Culture Building – Your Company continued its efforts in culture building through the various initiatives, which include Leher (an organizational transformation program for officers), LASER (an organizational transformation program for shop floor employees), We Care (umbrella program for strengthening organizational values embedment), Spandan (organizational transformation and safety programs for shop floor employees), Workers Development Program (organizational transformation for contract employees), Gender Diversity and Inclusivity programs.

9.4. INFORMATION AND COMMUNICATION TECHNOLOGY

Your Company's journey on sustenance and maturity of SAP solution continues into the second year after SAP re-implementation and is spreading the landscape across Tata Power and its subsidiaries. This year, Tata Power Solar was added to the current SAP instance. Strengthening of the work flow and repository processes through the Enterprise Content Management tool, Documentum has been an ongoing process.

As part of Digitalization wave-2, Digital Thinking programme was launched including enterprise-wide initiatives around the pivots of Customer, Asset, Partner/Vendor and Employee. Building upon your Company's mobility journey, Tata Power mobile app was launched as a consolidated platform for solutions catering to all stakeholders including customer & employee, including billing, safety and a few employee self-services, with links to all subsidiary portals. A web and mobile-based enterprise social media tool, "Xpressions", was launched for higher employee engagement, and is being progressively strengthened.

To understand and mitigate the impact of Cybersecurity risks, a pilot project was carried out in one of the key generating stations and the learnings thereof will be taken to other G-T-D establishments in a phased manner. A cross functional team across organisational functions has been setup to drive the Cybersecurity initiatives.

- Digitalization of business processes and customer integration has been achieved through:
  - o Launch of Tata Power mobile application on android as well as on iOS platforms; the application has won the SAP ACE Award 2016
  - o Push-pull SMS in order to resolve various consumer queries
  - o Introduction of low cost solution for spot billing and spot collection for consumers
  - o Launch of online application facility on Tata Power's web portal for new power supply connection, open access reconnection and roof top solar connection
  - o Availability of outage information (planned outage) on GIS map view on customer portal and for Customer Relation Executives through GIS plugin with CRM
  - o Availability of more payment options for consumers through integration with mobile wallets
  - o Automated response to consumer queries using artificial intelligence through Chatbots

9.5. PARAM SANKALP

Your Company has launched Param Sankalp, an organisation wide Reliability Centred Maintenance (RCM) program in October 2016 which would run over a time period of 30 months. The Company would develop best in-class Operations and Maintenance processes (O&M) and standardize best practices across Generation, Transmission and Distribution assets. The program will target to improve the system reliability and efficiency while reducing the Operation and Maintenance cost.

Further, Param Sankalp would ingrain a culture of O&M excellence and pride in the team while developing employee capability. Comprehensive diagnostic assessment and benchmarking of all the assets across O&M elements has been completed and opportunity areas have been identified. The project is currently in Design phase for developing the foundational elements. Post implementation, the program will see the full scale roll-out of the RCM Academy that will help sustain the improvements and continue to empower our O&M personnel to drive long term excellence.

9.6. NEW BUSINESS AVENUES

Your Company is actively pursuing opportunities in emerging business areas such as Decentralized Distributed Generation (DDG), utility-scale storage solutions and battery charging solutions for electric vehicles.

10. FINANCIAL PERFORMANCE – STANDALONE

Your Company recorded a PAT of ₹ 283 crore during the financial year ended 31st March 2017 (FY16: ₹ 1,355 crore). Both the basic and the diluted earnings per share were at ₹ 0.63 for FY17.

The analysis of major items of the Standalone financial statements is shown below: (Section 10.1 to 10.11: Statement of Profit and Loss; Section 10.12 to 10.25: Balance Sheet Items).

10.1. REVENUE

Figures in ₹ crore *(Table 31)*

Particulars	FY17	FY16	Change	% Change
Revenue from Power Supply and Transmission Charges*	5,480.85	6,380.36	(899.51)	-14%
Revenue from Contracts	541.63	549.88	(8.25)	-2%
Project/Operation Management Services	1,040.38	1,154.08	(113.70)	-10%
Other Operating Revenue	219.20	231.21	(12.01)	-5%
Total	**7,282.06**	**8,315.53**	**(1,033.47)**	**-12%**

* Includes rate regulatory income/(expense)

The decrease in Revenue was mainly due to lower fuel cost and power purchase cost being pass through.

10.2. OTHER INCOME

Figures in ₹ crore *(Table 32)*

Particulars	FY17	FY16	Change	% Change
Dividend Income	649.98	328.06	321.92	98%
Interest Income	269.42	552.28	(282.86)	-51%
Others	(5.57)	24.93	(30.50)	-122%
Total	**913.83**	**905.27**	**8.56**	**1%**

Increase in Other Income was due to increased dividend income from subsidiaries offset by lower interest income on loans given to subsidiary companies and increased foreign exchange losses.

10.3. COST OF POWER PURCHASED AND COST OF FUEL

Figures in ₹ crore *(Table 33)*

Particulars	FY17	FY16	Change	% Change
Cost of Power Purchased	466.52	785.06	(318.54)	-41%
Cost of Fuel	2,342.83	2,550.42	(207.59)	-8%

The power purchase cost reduced mainly due to lower per unit cost and cost of fuel is lower mainly due to lower volumes.

10.4. COST OF COMPONENT CONSUMED

Figures in ₹ crore *(Table 34)*

Particulars	FY17	FY16	Change	% Change
Cost of components consumed	349.98	397.66	(47.68)	-12%

Cost of components consumed was lower mainly due to reduced business at Tata Power SED.

10.5. TRANSMISSION CHARGES

Figures in ₹ crore *(Table 35)*

Particulars	FY17	FY16	Change	% Change
Transmission Charges	221.30	262.96	(41.66)	-16%

Transmission charges in Mumbai regulated business were based on the MYT order.

10.6. EMPLOYEE BENEFITS EXPENSES

Figures in ₹ crore *(Table 36)*

Particulars	FY17	FY16	Change	% Change
Employee benefits expense	660.80	648.47	12.33	2%

Employee Benefit Expense increased due to annual increments.

10.7. FINANCE COST

Figures in ₹ crore *(Table 37)*

Particulars	FY17	FY16	Change	% Change
Finance Costs	1,295.68	1,146.12	149.56	13%

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.

10.8. DEPRECIATION AND AMORTIZATION

Figures in ₹ crore *(Table 38)*

Particulars	FY17	FY16	Change	% Change
Depreciation and amortization	634.21	604.46	29.75	5%

Depreciation increased during the year due to higher capitalization.

10.9. OPERATIONS AND OTHER EXPENSES

Figures in ₹ crore *(Table 39)*

Particulars	FY17	FY16	Change	% Change
Repairs and Maintenance	295.14	305.28	(10.14)	-3%
Others	771.85	786.08	(14.23)	-2%
Total Operation and Other Expenses	**1,066.99**	**1,091.36**	**(24.37)**	**-2%**

Operation and Other Expenses reduced since the Company had provided in the previous year for loans granted to Mandakini coal mines. This was partly offset by reduction in the value of non-current assets held for sale and the stores inventory.

10.10. EXCEPTIONAL ITEM

Figures in ₹ crore *(Table 40)*

Particulars	FY17	FY16	Change	% Change
Exceptional Item	651.45	Nil	651.45	-

During FY17, the Company has provided for loss towards contractual obligation towards purchase of shares in TTSL from Docomo.

10.11. TAX EXPENSES

Figures in ₹ crore *(Table 41)*

Particulars	FY17	FY16	Change	% Change
Current Tax	290.92	279.20	11.72	4%
Deferred Tax	(68.24)	100.10	(168.34)	-168%
Total Tax Expense	**222.68**	**379.30**	**(156.62)**	**-41%**

Tax Expenses reduced due to reversal of deferred tax liabilities in respect of the Company's units falling under tax holiday period.

10.12. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Figures in ₹ crore *(Table 42)*

Particulars	FY17	FY16	Change	% Change
Property, plant and equipment	8,130.21	8,251.53	(121.32)	-1%
Intangible Assets	189.87	140.54	49.33	35%
Capital Work-in-Progress	666.18	485.72	180.46	37%
Intangible assets under development	254.68	209.70	44.98	21%
Total	**9,240.94**	**9,087.49**	**153.45**	**2%**

Increase in Property, plant and equipment (gross) and Intangible assets was due to the higher capitalization in the Mumbai License Area Generation, Transmission and Distribution businesses.

10.13. NON-CURRENT INVESTMENTS

Figures in ₹ crore *(Table 43)*

Particulars	FY17	FY16	Change	% Change
Investment in Subsidiaries, Joint ventures and Associates	21,274.55	12,548.29	8,726.26	70%
Statutory Investments	296.84	375.92	(79.08)	-21%
Others	797.88	1,107.50	(309.62)	-28%
Total	**22,369.27**	**14,031.71**	**8,337.56**	**59%**

Increase in Non-Current Investments was mainly due to investment in Perpetual Securities of CGPL and TPREL.

10.14. CURRENT INVESTMENTS

Figures in ₹ crore *(Table 44)*

Particulars	FY17	FY16	Change	% Change
Statutory Investments	89.34	0.22	89.12	40509%

Current Investments consisting of statutory investments increased due to increase in amount falling due within next one year.

10.15. TRADE RECEIVABLES

Figures in ₹ crore *(Table 45)*

Particulars	FY17	FY16	Change	% Change
Non-current	185.76	185.76	Nil	-
Current	1,234.26	1,057.23	(177.03)	-17%
Total	**1,420.02**	**1,242.99**	**(177.03)**	**-14%**

Increase in Trade Receivables was mainly due to increase in receivables in SED's business.

10.16. LOANS

Figures in ₹ crore *(Table 46)*

Particulars	FY17	FY16	Change	% Change
Non-current	22.82	3,644.45	(3,621.63)	-99%
Current	Nil	106.00	(106.00)	-100%
Total	**22.82**	**3,750.45**	**(3,727.63)**	**-99%**

Decrease in loans was mainly due to conversion of loans given to CGPL into Perpetual Securities.

10.17. FINANCE LEASE RECEIVABLE

Figures in ₹ crore *(Table 46)*

Particulars	FY17	FY16	Change	% Change
Non-current	573.47	617.63	(44.16)	-7%
Current	39.16	48.80	(9.64)	-20%
Total	**612.63**	**666.43**	**(53.80)**	**-8%**

Finance Lease Receivable reduced due to recovery of lease rentals during the year.

10.18. OTHER FINANCIAL ASSETS

Figures in ₹ crore *(Table 47)*

Particulars	FY17	FY16	Change	% Change
Non-current	820.10	1,006.26	(186.16)	-19%
Current	376.71	212.06	164.65	78%
Total	**1,196.81**	**1,218.32**	**(21.51)**	**-2%**

Other Financial Assets reduced mainly due to liquidation of interest on loans given to related parties partly offset by Advance paid for obligation to purchase shares in TTSL from Docomo.

10.19. OTHER ASSETS

Figures in ₹ crore *(Table 48)*

Particulars	FY17	FY16	Change	% Change
Non-current	1,105.15	1,143.96	(38.81)	-3%
Current	273.83	345.06	(71.23)	-21%
Total	**1,378.98**	**1,489.02**	**(110.04)**	**-7%**

Other Assets reduced mainly due to reduction in vendor advances and amortization of premium paid for leasehold land.

10.20 ASSETS CLASSIFIED AS HELD FOR SALE

Figures in ₹ crore *(Table 49)*

Particulars	FY17	FY16	Change	% Change
Freehold Land	15.83	-	15.83	-
Property, Plant and Equipment	24.68	-	24.68	-
Investments carried at Fair Value through Other Comprehensive Income	195.21	-	195.21	-
Total	**235.72**	**-**	**235.72**	**-**

The Company has discontinued power generation at Belgaum (Karnataka), Vadaval (Maharashtra) and Unit 4 at Trombay, Maharashtra and is in the process of disposing of the related assets. Further, the Company is also in the process of liquidating some of its investments carried at Fair Value through Other Comprehensive Income and land at Tiruldih (Jharkand).

10.21. NON-CURRENT BORROWINGS

Figures in ₹ crore *(Table 50)*

Particulars	FY17	FY16	Change	% Change
Secured Loans	5,727.18	5,062.08	665.10	13%
Unsecured Loans	3,120.68	3,921.54	(800.86)	-20%
Total	**8,847.86**	**8,983.62**	**(135.76)**	**-2%**

Non-current borrowings reduced marginally with a series of Debentures falling due within the next one year getting reclassified as Other Current Financial Liabilities partly offset by fresh borrowings from banks during the year.

10.22. CURRENT BORROWINGS

Figures in ₹ crore *(Table 51)*

Particulars	FY17	FY16	Change	% Change
Secured Loans	Nil	Nil	Nil	Nil
Unsecured Loans	2,391.98	1,507.09	884.89	59%
Total	**2,391.98**	**1,507.09**	**884.89**	**59%**

During the year, Current Borrowings increased with further issue of Commercial Papers.

10.23. TRADE PAYABLES

Figures in ₹ crore *(Table 52)*

Particulars	FY17	FY16	Change	% Change
Non-current	35.57	33.12	2.45	7%
Current	1,344.68	1,263.26	81.42	6%
Total	**1,380.25**	**1,296.38**	**83.87**	**6%**

Trade payables marginally increased during the year.

10.24. OTHER FINANCIAL LIABILITIES

Figures in ₹ crore *(Table 53)*

Particulars	FY17	FY16	Change	% Change
Non-current	31.98	33.59	(1.61)	-5%
Current	6,632.32	1,866.79	4,765.53	255%
Total	**6,664.30**	**1,900.38**	**4,763.92**	**251%**

Other Financial Liabilities increased during the year mainly due to a part of the Non-current Borrowings falling due within the next one year getting reclassified as current maturity of Non-current Borrowings.

10.25. OTHER LIABILITIES

Figures in ₹ crore *(Table 54)*

Particulars	FY17	FY16	Change	% Change
Non-current	187.34	176.85	10.49	6%
Current	1,479.53	1,420.62	58.91	4%
Total	**1,666.87**	**1,597.47**	**69.40**	**4%**

Other Liabilities increased mainly due to increase in advances received from customers and increase in Statutory Consumer Reserves.

10.26. TOTAL EQUITY

Figures in ₹ crore *(Table 55)*

Particulars	FY17	FY16	Change	% Change
Equity Share Capital	270.50	270.48	0.02	-
Unsecured Perpetual Securities	1,500.00	1,500.00	Nil	-
Other Equity	14,778.06	15,079.98	(301.92)	-2%
Total Equity	**16,548.56**	**16,850.46**	**(301.90)**	**-2%**

Total Equity of the Company reduced by 2% during the year on account of lower profits coupled with various appropriations.

10.27. REGULATORY DEFERRAL ACCOUNT - ASSET/(LIABILITY)

Figures in ₹ crore *(Table 56)*

Particulars	FY17	FY16	Change	% Change
Regulatory Deferral - Asset	1,914.00	2,093.09	(179.09)	-9%
Less: Regulatory Deferral - Liability	656.00	680.38	(24.38)	-4%
Total Equity	**1,258.00**	**1,412.71**	**(154.71)**	**-11%**

Regulatory Deferral Asset (Net) pertain to regulatory receivables in Distribution business. The same have reduced in line with the recoveries in terms of regulatory orders.

11. FINANCIAL PERFORMANCE – CONSOLIDATED

Figures in ₹ crore *(Table 57)*

Particulars	FY17	FY16	Change	% Change
Total Income*	27,490.48	28,616.99	(1,126.51)	-4%
Depreciation/Amortization Impairment	1,988.59	1,648.73	339.86	21%
Finance Costs	3,113.97	3,235.81	(121.84)	-4%
Exceptional Item	(651.45)	(97.84)	(553.61)	565%
Profit Before Taxes	(314.55)	1,280.71	(1,595.26)	-125%
Profit/(Loss) After Taxes, Share of Associates, Non-controlling interest	**745.48**	**662.20**	**83.28**	**13%**

* Includes Regulatory Income/(Expenses)

Reduction in Total Income was primarily on account of lower revenue from Tata Power Standalone, TPDDL and TPTCL partly offset by increased revenue from TPSSL, CGPL and TPREL. Depreciation increased with increased capitalization. Finance costs were lower mainly due to lower interest rates. Exceptional item in FY17 consisted of the loss towards contractual obligation for purchase of shares in TTSL from Docomo. Exceptional item in FY16 consisted of impairment of goodwill arising from the Group's investment in coal companies offset by reversal of provision for impairment accounted by CGPL in earlier years.

11.1. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Figures in ₹ crore *(Table 58)*

Particulars	FY17	FY16	Change	% Change
Property, plant and equipment	43,012.62	36,100.84	6,911.78	19%
Intangible Assets	1,705.80	307.34	1,398.46	455%
Capital Work-in-Progress	1,923.24	1,134.16	789.08	70%
Intangible assets under development	254.68	210.75	43.93	21%
Total	**46,896.34**	**37,753.09**	**9,143.25**	**24%**

Property, plant and equipment increased mainly due to acquisition of WREPL during the year.

11.2. GOODWILL

Figures in ₹ crore *(Table 59)*

Particulars	FY17	FY16	Change	% Change
Goodwill	1,732.48	5.54	1,726.94	31,172%

Goodwill increased mainly due to acquisition of WREPL during the year.

11.3. NON-CURRENT INVESTMENTS

Figures in ₹ crore *(Table 60)*

Particulars	FY17	FY16	Change	% Change
Investment in Associates and Joint ventures	12,485.82	12,726.55	(240.73)	-2%
Statutory Investments	296.84	375.92	(79.08)	-21%
Others	982.30	1,382.51	(400.21)	-29%
Impairment in value of Investments	(2,905.73)	(3,038.15)	(132.42)	-4%
Total	**10,859.23**	**11,446.83**	**(587.60)**	**-5%**

The decrease in Non-Current Investments was due to some of the investments getting reclassified as Assets held for sale offset by increase in Investment in Associates and Joint Ventures by way of booking profit for the year net of dividend received.

11.4. CURRENT INVESTMENTS

Figures in ₹ crore *(Table 61)*

Particulars	FY17	FY16	Change	% Change
Statutory Investments	89.34	0.19	89.15	46921%
Mutual Fund	975.78	311.38	664.40	213%
Other Investments	32.66	24.35	8.31	34%
Total	**1,097.78**	**335.92**	**761.86**	**227%**

Increase in Current Investments was mainly on account of increase in mutual fund investments.

11.5. TRADE RECEIVABLES

Figures in ₹ crore *(Table 62)*

Particulars	FY17	FY16	Change	% Change
Non-current	187.92	190.00	(2.08)	-1%
Current	3,832.12	3,540.24	291.88	8%
Total	**4,020.04**	**3,730.24**	**289.80**	**8%**

Increase in Trade Receivables was mainly due to increase in receivables in Tata Power, WREPL and TPSSL partly offset by reduction in CGPL, TPTCL and MPL.

11.6. LOANS

Figures in ₹ crore *(Table 63)*

Particulars	FY17	FY16	Change	% Change
Long Term	77.16	390.37	(313.21)	-80%
Short Term	655.44	410.27	245.17	60%
Total	**732.60**	**800.64**	**(68.04)**	**-8%**

Loans reduced mainly due to liquidation of loans given to related parties in foreign subsidiaries.

11.7. FINANCE LEASE RECEIVABLE

Figures in ₹ crore *(Table 64)*

Particulars	FY17	FY16	Change	% Change
Long Term	573.47	617.63	(44.16)	-7%
Short Term	39.16	48.80	(9.64)	-20%
Total	**612.63**	**666.43**	**(53.80)**	**-8%**

Finance Lease Receivable reduced due to recovery of lease rentals during the year.

11.8. OTHER FINANCIAL ASSETS

Figures in ₹ crore *(Table 65)*

Particulars	FY17	FY16	Change	% Change
Non-current	872.68	667.41	205.27	31%
Current	913.40	511.49	401.91	79%
Total	**1,786.08**	**1,178.90**	**607.18**	**52%**

Other Financial Assets increased mainly due to increase in regulatory assets and advance paid for obligation to purchase shares in TTSL from Docomo.

11.9. OTHER ASSETS

Figures in ₹ crore *(Table 66)*

Particulars	FY17	FY16	Change	% Change
Non-current	1,507.55	1,753.97	(246.42)	-14%
Current	582.97	933.02	(350.05)	-38%
Total	**2,090.52**	**2,686.99**	**(596.47)**	**-22%**

Other Assets reduced mainly due to reduction in Capital Advances and reduction in Power Banking assets in TPDDL.

11.10. NON-CURRENT BORROWINGS

Figures in ₹ crore *(Table 67)*

Particulars	FY17	FY16	Change	% Change
Secured Loans	14,106.14	11,057.42	3,048.72	28%
Unsecured Loans	11,036.82	11,356.46	(319.64)	-3%
Total	**25,142.96**	**22,413.88**	**2,729.08**	**12%**

Non-current Borrowings increased mainly due to acquisition of WREPL.

11.11. CURRENT BORROWINGS

Figures in ₹ crore *(Table 68)*

Particulars	FY17	FY16	Change	% Change
Secured Loans	6,568.59	6,237.12	331.47	5%
Unsecured Loans	9,711.20	8,351.79	1,359.41	16%
Total	**16,279.79**	**14,588.91**	**1,690.88**	**12%**

Current Borrowings increased mainly due to increase in Commercial Paper issued by Tata Power Standalone.

11.12. TRADE PAYABLES

Figures in ₹ crore *(Table 69)*

Particulars	FY17	FY16	Change	% Change
Non-current	35.57	33.12	2.45	7%
Current	5,529.00	4,401.36	1,127.64	26%
Total	**5,564.57**	**4,434.48**	**1,130.09**	**25%**

Trade Payable increased mainly in Tata Power Standalone, TPDDL, WREPL offset by reduction in TPTCL.

11.13. OTHER FINANCIAL LIABILITIES

Figures in ₹ crore *(Table 70)*

Particulars	FY17	FY16	Change	% Change
Non-current	542.89	571.57	(28.68)	-5%
Current	11,456.68	5,055.98	6,400.70	127%
Total	**11,999.57**	**5,627.55**	**6,372.02**	**113%**

Other Financial Liabilities increased during the year mainly due to a part of the Non-current Borrowings falling due within the next one year getting reclassified as current maturity of Non-current Borrowings mainly in Tata Power Standalone and WREPL.

11.14. OTHER LIABILITIES

Figures in ₹ crore *(Table 71)*

Particulars	FY17	FY16	Change	% Change
Non-current	3,086.70	3,042.88	43.82	1%
Current	1,976.32	1,711.72	264.60	15%
Total	**5,063.02**	**4,754.60**	**308.42**	**6%**

Other Liabilities increased mainly due to increase in advances received from customers and increase in Statutory Consumer Reserves.

11.15. TOTAL EQUITY

Figures in ₹ crore *(Table 72)*

Particulars	FY17	FY16	Change	% Change
Equity Share Capital	270.50	270.48	0.02	-
Unsecured Perpetual Securities	1,500.00	1,500.00	Nil	-
Other Equity	11,508.97	11,362.90	146.07	1%
Total Equity	**13,279.47**	**13,133.38**	**146.09**	**1%**

Total Equity of the Company increased marginally by 1% during the year on account of profits earned offset by various appropriations.

12. 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 point number 11 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

Windfarm, Cennergi, South Africa

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 19th May 2017, the Company's Board of Directors comprises 12 members, 2 of whom are Executive Directors, and 10 are Non-Executive Directors (NEDs). Out 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 2017:

Table 1

Sl. No.	Name of the 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	5	Nil	Nil
2.	Mr. S. Padmanabhan		5	Nil	3
3.	Mr. Pravin H. Kutumbe (LIC Nominee)		2	Nil	1
4.	Ms. Sandhya S. Kudtarkar		6	Nil	2

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of other Directorships(1)	No. of Committee positions held(2)	
				Chairman	Member
5.	Dr. Homiar S. Vachha	Independent, Non-Executive	7	3	4
6.	Mr. Nawshir H. Mirza		5	4	1
7.	Mr. Deepak M. Satwalekar		2	1	Nil
8.	Ms. Anjali Bansal		3	Nil	1
9.	Ms. Vibha Padalkar		3	1	Nil
10.	Mr. Sanjay V. Bhandarkar		1	Nil	Nil
11.	Mr. Anil Sardana, CEO & Managing Director	Executive	5	Nil	Nil
12.	Mr. Ashok S. Sethi, COO & Executive Director		3	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 were members of more than 10 committees or acted as chairperson of more than 5 committees (as specified in the Listing Regulations), across all the companies in which he/she was a Director. The necessary disclosures regarding committee positions have been made by the Directors.
- None of the Directors held directorship in more than 20 Indian companies including 10 public limited companies.
- None of the Directors were related to any Director or member of an extended family.
- 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/will be issued to the Independent Directors.

Changes in Board Composition

Table 2

Name of the Director	Nature of change	Date of appointment / change
Ms. Sandhya S. Kudtarkar	Appointed as Additional Director in a non-executive capacity.	16th April 2016
Mr. Piyush G. Mankad	Ceased to be Director consequent upon attaining 75 years of age, as required by the Retirement Policy adopted by Company for retirement of directors (Retirement Policy).	18th November 2016
Ms. Anjali Bansal	Appointed as Additional Directors in an independent non-executive capacity.	14th October 2016
Ms. Vibha Padalkar		
Mr. Sanjay V. Bhandarkar		
Mr. Cyrus P. Mistry	Resigned as Director. Consequently, also ceased to be Chairman of the Board of Directors of the Company.	19th December 2016
Mr. S. Padmanabhan	Appointed as Additional Director in a non-executive capacity.	16th December 2017
	Nominated as Chairman of the Board of Directors of the Company by Tata Sons Limited.	3rd January 2017
Mr. N. Chandrasekaran	Appointed as Additional Director in a non-executive capacity. Also nominated as Chairman of the Board of Directors of the Company by Tata Sons Limited.	11th February 2017
Mr. Ashok K. Basu	Ceased to be Director consequent upon attaining 75 years of age, as required by the Retirement Policy.	24th March 2017
Dr. Homiar S. Vachha	Ceased to be Director consequent upon attaining 75 years of age, as required by the Retirement Policy.	23rd April 2017
Mr. K. M. Chandrasekhar	Appointed as Additional Directors in an independent non-executive capacity.	4th May 2017

Term of Board membership

As per the terms of the Governance Guidelines adopted by the Company, 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 NED(s) in the Company as on 31st March 2017

Table 3

Name of Director	No. of equity shares held	No. of convertible instruments held
Mr. Sanjay V. Bhandarkar*	16,262	Nil

* As a joint holder

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 and the gap between two meetings did not exceed 120 days. These meetings were held on 23rd May 2016, 11th July 2016, 4th August 2016, 23rd August 2016, 14th October 2016, 29th November 2016, 16th December 2016, 10th February 2017 and 31st March 2017. Two separate meetings of Independent Directors were also held on 10th February 2017 and 31st March 2017, which were attended by all the Independent Directors except Dr. Homiar S. Vachha.

Attendance of directors during FY 2017

Table 4

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of Board Meetings attended	Attendance at AGM held on 21st September 2016
1.	Mr. N. Chandrasekaran, Chairman	Non-Independent, Non-Executive	Nil	NA
2.	Mr. S. Padmanabhan		2	NA
3.	Mr. Cyrus P. Mistry		7	Yes
4.	Mr. Pravin H. Kutumbe (LIC Nominee)		8	Yes
5.	Ms. Sandhya S. Kudtarkar		8	Yes

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of Board Meetings attended	Attendance at AGM held on 21st September 2016
6.	Dr. Homiar S. Vachha	Independent, Non-Executive	7	Yes
7.	Mr. Nawshir H. Mirza		9	Yes
8.	Mr. Deepak M. Satwalekar		8	Yes
9.	Mr. Piyush G. Mankad		5	No
10.	Mr. Ashok K. Basu		8	Yes
11.	Ms. Anjali Bansal		4	NA
12.	Ms. Vibha Padalkar		4	NA
13.	Mr. Sanjay V. Bhandarkar		4	NA
14.	Mr. Anil Sardana, CEO & Managing Director	Executive	9	Yes
15.	Mr. Ashok S. Sethi, COO & Executive Director		9	Yes

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 or by way of presentations during the meetings:

- 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 various Committees of the Board.
- Subsidiary companies' minutes, financial statements and significant transactions and investments.
- The information on recruitment and remuneration of key executives just below the Board level, including appointment or removal of 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 for information and further recommended action(s), if any.

Meeting of Independent Directors

During the year, the Independent Directors of the Company met on 10th February 2017 and 31st March 2017, without the presence of Executive Directors and other members of management. At the meeting held on 31st March 2017, the Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole. They also assessed the quality and adequacy of the information between the Company's management and the Board.

Annual Strategy Board Meet

An Annual Strategy Board meet was organised in October 2016. 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 pro-actively 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 2017 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 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 5*

Name of the Director	Sitting Fees paid for FY17*	Commission payable for FY17**
Mr. N. Chandrasekaran&	0	0
Mr. S. Padmanabhan	1,50,000	13,00,000
Mr. Cyrus P. Mistry#	3,90,000	0
Dr. Homiar S. Vachha	6,60,000	59,50,000
Mr. Nawshir H. Mirza	9,60,000	94,50,000
Mr. Deepak M. Satwalekar	10,50,000	80,50,000
Mr. Piyush G. Mankad	3,30,000	24,50,000
Mr. Ashok K. Basu	2,70,000	17,50,000
Mr. Pravin H. Kutumbe@	2,70,000	13,00,000
Ms. Sandhya S. Kudtarkar	2,40,000	13,00,000
Ms. Anjali Bansal	2,40,000	13,50,000
Ms. Vibha Padalkar	3,30,000	20,00,000
Mr. Sanjay V. Bhandarkar	2,40,000	11,00,000

*Excludes service tax

**Commission relates to the financial year ended 31st March 2017, which was approved by the Board on 19th May 2017, to be paid during FY18.

&Mr. Chandrasekaran has not attended any meeting in FY17 and hence, was not paid any sitting fees or commission.

#Mr. Mistry, being Executive Chairman of Tata Sons Limited till 24th October 2016, has not accepted any commission till such date.

@The 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 Sitting Fees and Commission received by them. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending 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 2017 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 Managing Director and Executive Director:

(₹) *Table 6*

Name	Salary & Allowances	* Commission for FY17	Perquisites & Benefits	Retirement Benefits	Total
Mr. Anil Sardana, CEO & Managing Director	2,38,12,250	5,00,00,000	7,59,562	26,73,000	7,72,44,812
Mr. Ashok S. Sethi, COO & Executive Director	1,49,12,134	1,60,00,000	19,597	6,98,400	3,16,30,131

*Commission (variable component) relates to the financial year ended 31st March 2017, which was approved by the Board on 19th May 2017, to be paid during FY18.

Salient features of the agreements executed/to be executed by the Company with Mr. Sardana and Mr. Sethi, consequent upon obtaining Members' approval at the AGM:

Table 7

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 ₹ 9,50,000 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

Currently, the Committee comprises the following:

- Mr. N. H. Mirza, Chairman
- Mr. S. Padmanabhan
- Ms. V. Padalkar
- Mr. S. V. Bhandarkar

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. These meetings were held on 2nd May 2016, 20th May 2016, 3rd August 2016, 19th August 2016, 27th September 2016, 3rd November 2016, 28th November 2016, 8th December 2016, 9th February 2017, 21st February 2017 and 27th March 2017, with the requisite quorum. The attendance details of these meetings are as follows:

Table 8

Sl. No.	Name of the Director	Category	No. of meetings attended
1.	Dr. H. S. Vachha, Chairman	Independent, Non-Executive	8
2.	Mr. D. M. Satwalekar		10
3.	Mr. P. G. Mankad (ceased w.e.f. 18.11.2016)		6
4.	Mr. N. H. Mirza (appointed w.e.f. 23.05.2016)		9
5.	Ms. V. Padalkar (appointed w.e.f. 14.10.2016)		5

The management is responsible for the Company's internal controls and the financial reporting process 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
  - Disclosure 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.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditor.
- 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. Mr. H. M. Mistry, the Company Secretary, acts as the Secretary of the Committee.

The Internal 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 a Tata 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. Anand Agarwal, Chief - M&A and Strategic Finance is designated as the 'Chief Investor Relations Officer'.

Nomination and Remuneration Committee

Currently, the Committee comprises the following:

- Mr. D. M. Satwalekar, Chairman
- Mr. N. Chandrasekaran
- Ms. Anjali Bansal

The Committee met 5 times during the year. These meetings were held on 16th May 2016, 3rd October 2016, 30th November 2016, 9th February 2017 and16th March 2017. The attendance details of these meetings are as follows:

Table 9

Sl. No.	Name of the Director	Category	No. of meetings attended
1.	Mr. N. H. Mirza, Chairman	Independent, Non-Executive	5
2.	Dr. H. S. Vachha		3
3.	Mr. D. M. Satwalekar (appointed w.e.f. 23.05.2016)		4
4.	Ms. Anjali Bansal (appointed w.e.f. 14.10.2016)		2
5.	Mr. S. Padmanabhan (appointed w.e.f. 10.01.2017)	Non-Independent, Non-Executive	2
6.	Mr. C. P. Mistry (ceased w.e.f. 19.12.2016)		3

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 and objectives, composition, meetings, authority and powers, responsibilities, reporting, evaluation etc.

In addition to the duties cast under Section 178 of the Act, the other responsibilities of this Committee are:

- Board composition and succession related
- Evaluation related
- Remuneration related
- Board development related
- 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. The contribution and impact of individual Directors is reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgement, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. 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

Currently, the Committee comprises the following:

- Ms. Anjali Bansal, Chairperson
- Mr. D. M. Satwalekar
- Mr. Anil Sardana

During the year, the Committee met 4 times on 28th June 2016, 9th September 2016, 30th November 2016 and 27th February 2017. The attendance details of these meetings are as follows:

Table 10

Sl. No.	Name of the Director	Category	No. of meetings attended
1.	Mr. D. M. Satwalekar, Chairman	Independent, Non-Executive	4
2.	Mr. Anil Sardana	Executive	4
3.	Mr. A. S. Sethi (ceased w.e.f. 23.04.2017)		4

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:

a) 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;
b) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause; and
c) Monitor the CSR Policy of the Company from time to time.

Stakeholders Relationship Committee

Currently, the Committee comprises the following:

- Mr. S. V. Bhandarkar, Chairman
- Mr. P. H. Kutumbe
- Ms. S. S. Kudtarkar
- Mr. A. S. Sethi

The Committee met twice during the year on 12th October 2016 and 27th March 2017. The attendance details of these meeting are as follows:

Table 11

Sl. No.	Name of the Director	Category	No. of meetings attended
1.	Dr. H. S. Vachha, Chairman	Independent, Non-Executive	1
2.	Mr. S. V. Bhandarkar (appointed w.e.f. 14.10.2016)		1
3.	Mr. P. H. Kutumbe	Non-Independent, Non-Executive	1
4.	Mr. A. S. Sethi	Executive	2

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.
- 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 12

Sl. No.	Description	Total		
		Received	**Replied**	**Pending**
A.	**Letters received from Statutory Bodies**			
	Securities & Exchange Board of India	17	12	5
	Stock Exchanges	3	3	0
	Depositories (NSDL/CDSL)	1	1	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	**25**	**20**	**5**

- For the 5 unresolved complaints received through the SEBI SCORES System (System), the ATRs have been uploaded on the System and the same are pending for closure.
- There were no pending transfers/demats as on 31st March 2017.

Risk Management Committee

Currently, the Committee comprises the following:

- Mr. N. H. Mirza, Chairman
- Mr. S. Padmanabhan
- Ms. V. Padalkar
- Mr. A. S. Sethi
- Mr. R. N. Subramanyam, CFO
- Mr. P. G. Date, Chief-Internal Audit & Risk Management

The Committee met thrice during the year. These meetings were held on 5th August 2016, 3rd October 2016 and 20th December 2016. The attendance details of these meetings are as follows:

Table 13

Sl. No.	Name of the Director	Category	No. of meetings attended
1.	Dr. H. S. Vachha, Chairman	Independent, Non-Executive	3
2.	Mr. N. H. Mirza (appointed w.e.f. 23.05.2016)		3
3.	Mr. D. M. Satwalekar		3
4.	Ms. V. Padalkar (appointed w.e.f. 14.10.2016)		Nil
5.	Mr. A. S. Sethi	Executive	3
6.	Mr. R. N. Subramanyam	Chief Financial Officer	3
7.	Mr. P. G. Date	Chief - Internal Audit & Risk Management	3

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.

➢ **Non-mandatory Committees**

The following are the non-mandatory Committees of the Board:

Executive Committee of the Board

Currently, this Committee comprises the following:

- Mr. N. Chandrasekaran, Chairman
- Mr. S. Padmanabhan
- Mr. D. M. Satwalekar
- Mr. S. V. Bhandarkar
- Mr. Anil Sardana
- Mr. A. S. Sethi

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

Currently, this Committee comprises the following:

- Mr. N. H. Mirza, Chairman
- Mr. Anil Sardana
- Mr. A. S. Sethi

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

Currently, this Committee comprises the following:

- Mr. Anil Sardana
- Mr. A. S. Sethi

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 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 General Meetings (AGMs) of the Company are as follows:

Table 14

Financial Year ended	Day, Date and Time	Venue	Special Resolutions passed
31st March 2014	Wednesday, 13th August 2014, at 3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020	• Private placement of Non-Convertible Debentures • Borrowing limits of the Company • Creation of charges • Increase in limits of investments in other bodies corporate
31st March 2015	Wednesday, 5th August 2015, at 3 p.m.		• Private placement of Non-Convertible Debentures • Increase in limits of investments in other bodies corporate
31st March 2016	Wednesday, 21st September 2016, at 3 pm		• Private placement of Non-Convertible Debentures • Increase in limits of investments in other bodies corporate

During the year under review, no special resolution has been passed through the exercise of postal ballot. Currently, no special resolution is proposed to be conducted through postal ballot.

Means of Communication to the shareholders

Quarterly Results: Quarterly and half-yearly reports are published in the following newspapers:

Table 15

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), vide its Circular No.8/2012 dated 10th May 2012 [as amended on 29th June 2012], has already mandated all cost auditors and the concerned companies to file their Cost Audit Reports and Compliance Reports for the year 2011-12 onwards [including the overdue reports relating to any previous year(s)] only in the XBRL mode. The Company has filed its Cost Audit Report and Compliance Report on MCA through XBRL.

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 : Wednesday, 23rd August 2017 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 2016 to 31st March 2017

(c) Dividend Payment Date : On and from 24th August 2017

(d) Listing on Stock Exchanges : The Company's Equity Shares are listed on the following two Stock Exchanges in India:

BSE Limited (BSE) *(Regional Stock Exchange)* Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	National Stock Exchange of India Limited (NSE) Exchange Plaza Bandra-Kurla Complex Bandra (E), Mumbai 400 051

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.

In August 2016, the Company issued 35,000 Unsecured, Non-Cumulative, Redeemable, Taxable, Listed, Rated Non-Convertible Debentures on Private Placement basis of ₹ 10,00,000 each. The said debentures are listed on NSE.

The following series of Debentures issued by the Company are listed on the Wholesale Debt Market segment of NSE:

Table 16

Sl. No.	Series	Amount outstanding as on 31/3/2017 (₹ crore)	Name of the Debenture Trustee with full contact details
1.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500	Central Bank of India Chander Mukhi, Nariman Point, Mumbai 400 021 Tel : 2202 6428 Fax : 2204 4336 E-mail: dtcbi@centralbank.co.in
2.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500	
3.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	154	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	200	
5.	9.40% Redeemable Transferable Secured Non-Convertible Debentures	210	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	
7.	11.40% Perpetual Bonds (also listed on BSE)	1500	
8.	9.32% Unsecured, Redeemable, Non-convertible Debentures	1000	
9.	9.48% Unsecured, Redeemable, Non-convertible Debentures	500	
10.	9.41% Unsecured, Redeemable, Non-convertible Debentures	500	
11.	7.70% Unsecured, Redeemable, Non-convertible Debentures	3500	

The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2016-17.

(a) **Stock Code (For Equity Shares):**

Table 17

BSE Limited (physical form) (demat form)	 400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

(b) **Market Price Data:** High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below:

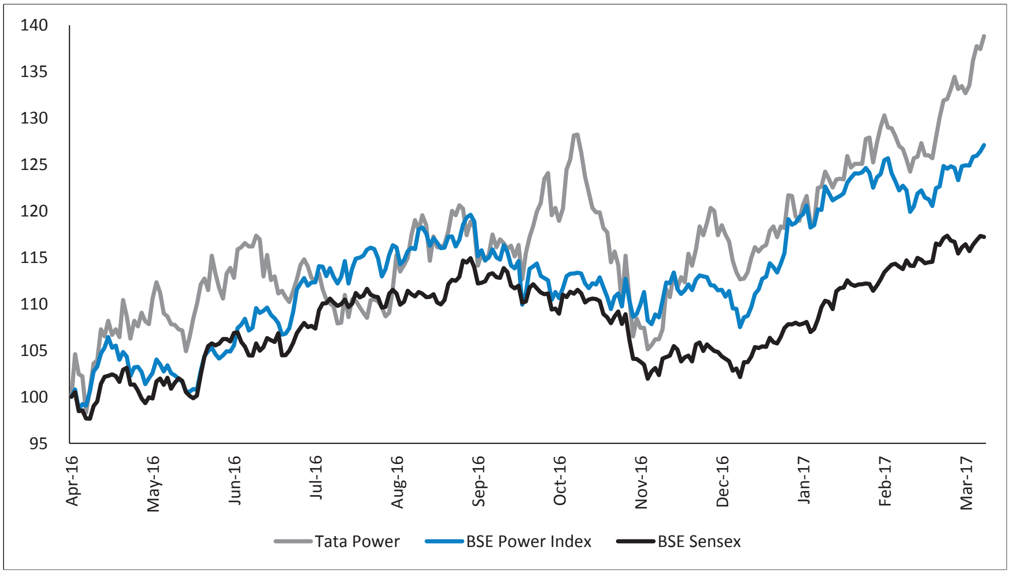
Table 18

Stock Exchange	BSE			NSE		
Month	High (₹)	Low (₹)	No. of shares traded during the month	High (₹)	Low (₹)	No. of shares traded during the month
April 2016	72.00	64.10	2,00,70,952	72.00	63.90	13,75,87,010
May 2016	75.10	68.40	89,70,762	75.15	68.40	8,98,67,098
June 2016	76.50	71.85	1,00,01,075	76.55	72.00	9,74,51,100
July 2016	74.85	70.35	64,64,716	74.90	70.35	9,04,90,042
August 2016	78.25	70.85	1,49,13,927	78.50	70.80	14,61,62,374
September 2016	78.65	73.45	1,38,76,339	79.00	73.65	10,02,82,009
October 2016	83.60	76.40	79,69,610	83.65	76.45	8,38,32,059
November 2016	78.15	68.55	69,65,933	78.15	68.60	9,25,32,090
December 2016	78.45	72.85	79,32,351	78.70	72.85	11,88,79,237

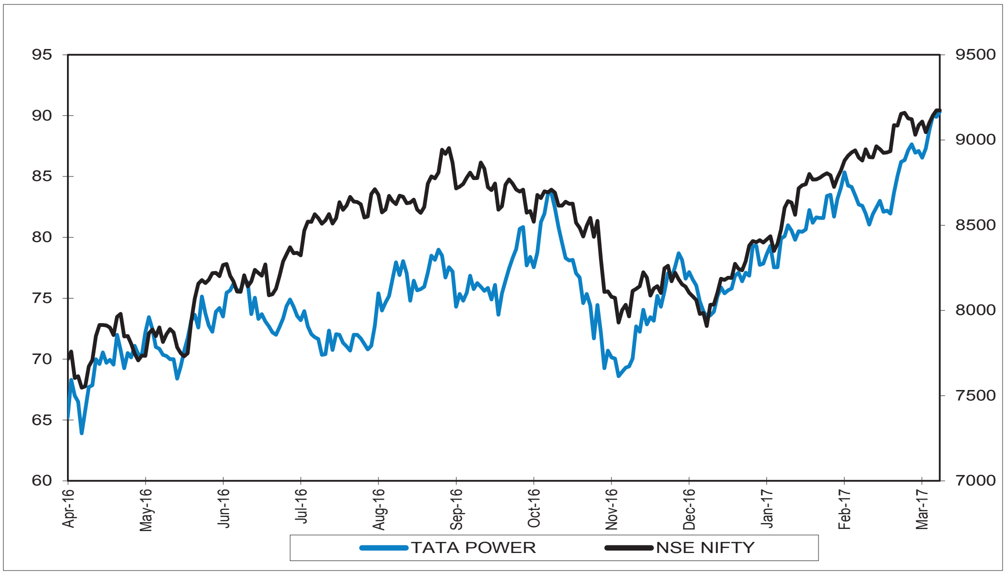
Stock Exchange	BSE			NSE		
Month	High (₹)	Low (₹)	No. of shares traded during the month	High (₹)	Low (₹)	No. of shares traded during the month
January 2017	81.00	75.40	89,32,829	81.00	75.40	6,94,88,808
February 2017	84.95	80.45	1,03,64,576	85.35	80.45	6,89,86,825
March 2017	90.50	81.00	1,15,56,274	90.35	81.05	10,82,66,259

(c) **Performance of Tata Power share price in comparison to BSE Sensex, Nifty and Power Index:**

(i) Normalised Tata Power share price in comparison to BSE Sensex and Power Index:



(ii) Performance of Tata Power share price in comparison to Nifty:



(d) None of the Company's securities have been suspended from trading.

(e) **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

For the convenience of Members based in the following cities, transfer documents and letters are also accepted at the undermentioned branches / agency of TSRDL:

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

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

(f) **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 and Mr. A. S. Bapat, Head-Corporate Legal, are severally empowered to approve transfers, in addition to the powers with the Members of the Stakeholders Relationship Committee.

(g) **Shareholding details of the Company:**

i. Distribution of Shares as on 31st March 2017:

Table 19

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1-5000	3,29,68,189	12,16,90,032	15,46,58,221	5.72	26,710	91.33	2,45,568	94.57	2,72,278	94.24
5001-10000	1,27,29,828	5,34,81,715	6,62,11,543	2.45	1,866	6.38	7,594	2.93	9,460	3.28
10001-20000	62,20,683	5,12,09,733	5,74,30,416	2.12	451	1.54	3,688	1.42	4,139	1.43
20001-30000	29,01,713	2,49,10,425	2,78,12,138	1.03	120	0.41	1,019	0.39	1,139	0.39
30001-40000	18,66,208	1,65,92,301	1,84,58,509	0.68	53	0.18	478	0.18	531	0.18
40001-50000	9,28,065	1,18,49,110	1,27,77,175	0.47	21	0.07	266	0.10	287	0.10
50001-100000	11,61,400	3,40,29,475	3,51,90,875	1.30	18	0.06	488	0.19	506	0.18
100001 and above	22,35,820	232,99,98,813	233,22,34,633	86.23	8	0.03	564	0.22	572	0.20
Total	**6,10,11,906**	**264,37,61,604**	**270,47,73,510**	**100**	**29,247**	**100**	**2,59,665**	**100.00**	**2,88,912**	**100**

*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 2017:

Table 20

Particulars	Equity Shares of ₹1 each	
	No. of Shares	**%**
Promoters (including Promoter Group)	89,32,00,466	33.02
Directors and their relatives	38,862	0.00
Insurance Companies	52,40,47,993	19.37
Financial Institutions/Banks	1,19,54,642	0.45
Mutual Funds / UTI	9,31,55,900	3.44
Clearing Members	70,40,827	0.26
Corporate Bodies	3,72,20,844	1.38
Body Corporate-NBFC	54,422	0.00
Limited Liability Partnership-LLP	4,20,223	0.02
Trusts	1,05,06,473	0.39
Resident Individuals & HUF	35,15,67,623	13.00
Central / State Governments	34,76,669	0.13
Foreign Institutional Investors	5,42,75,833	2.01
Foreign Portfolio Investors – Corporate	68,29,82,768	25.25
Foreign Banks	41,66,447	0.15
OCBs	10,400	0.00
Foreign Nationals DR	2,82,200	0.01
Foreign Bodies DR	14,75,797	0.05
Foreign Institutional Investors – DR	36,900	0.00
Global Depository Receipts	33,18,240	0.12
Non-Resident Indians	2,55,41,981	0.95
Total	**270,47,73,510**	**100.00**

iii. Top 10 Shareholders of the Company as on 31st March 2017:

Table 21

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	33,22,45,739	12.28
3	Matthews Pacific Tiger Fund	16,46,20,436	6.09
4	First State Investments Icvc- Stewart Investors Global Emerging Markets Leaders Fund	9,83,66,871	3.64
5	General Insurance Corporation of India	6,77,62,960	2.51
6	The New India Assurance Company Limited	6,69,54,953	2.48
7	ICICI Prudential Value Fund	5,48,14,734	2.03
8	Tata Steel Limited	3,91,22,725	1.45
9	Stewart Investors Global Emerging Markets Leaders Fund	3,28,12,816	1.21
10	M. Pallonji and Co. Pvt. Ltd.	2,54,57,313	0.94
Total		**1,72,19,57,869**	**63.68**

(h) **Dematerialisation of Shares as on 31st March 2017 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 22

Particulars of Shares	Shares of ₹ 1 each		Shareholders	
Dematerialised form	**Number**	**% to total**	**Number**	**% to total**
NSDL	257,72,43,013	95.28	1,80,806	62.58

Particulars of Shares	Shares of ₹ 1 each		Shareholders	
Dematerialised form	**Number**	**% to total**	**Number**	**% to total**
CDSL	6,65,18,591	2.46	78,859	27.30
Sub-total	**264,37,61,604**	**97.74**	**2,59,665**	**89.88**
Physical form	6,10,11,906	2.26	29,247	10.12
Total	**270,47,73,510**	**100.00**	**2,88,912**	**100.00**

(i) **Number of outstanding Global Depository Shares (GDS) as on 31st March 2017:**

- 948 (Issued in 1994 to Citibank NA)
- 2,46,494 (Issued in 2009 to Bank of New York, Mellon)

(j) **Commodity price 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.

(k) **Plant location of the Company and group companies:**

Table 23

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)
	Industrial Energy Ltd. C/o - The Tata Power Co. Ltd., Inside of Tata Steel Ltd., Kalinganagar, Jajpur, Jajpur Road, Dubri, Odisha, India.
	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, Itezhi Tezhi 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	Village 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, Girijashankarwadi & 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, Motapanch Devda, 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)
	Dangri Wind Farm, Village Dangri, District Jaisalmer, Rajasthan
	Welspun Energy Rajasthan Private Limited - Village Ola Bahala Basti Bhesada, Raigarh District, Jaisalmer, Rajasthan
	Lahori Wind Farm, Village Lahori, District Shajapur, Madhya Pradesh

Type of plants	Address of plants
Wind Farms	100 MW Nimbagallu Wind Project, Nimbagallu villege, Uravakonda (Mandal), District 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
Solar Plants	Mulshi (Khurd), Post Male, Taluka Mulshi, District Pune, Maharashtra
	Palaswadi, Taluka Maan, District Satara in Maharashtra
	Sastra University - TPTCL, Maharashtra
	Mithapur solar plant, Plot B, Survey No. 78, Mithapur, District Jamnagar, Gujarat
	Belampalli Solar Plant, Village Ankepalli and Venkapalli, Mandal Tandur, District Adilabad, Telangana (owned by TPREL)
	Welspun Urja Gujarat Private Limited - Village Khirasara Taluka Anjar, District Kutch, Gujarat
	Unity Power Private Limited - Village Khirasara Taluka Anjar, District Kutch, Gujarat
	MI MySolar Private Limited - Village Fatehpur, Taluka Patdi, District Surendranagar, Gujarat
	Dreisatz MySolar Private Limited - Village Fatehpur, Taluka Patdi, District Surendranagar, Gujarat
	Viraj Renewable Energy Private Limited - Village Ghitoor, Tehsil Baap, District Phalodi, Rajasthan
	Northwest Energy Private Limited - Village Ghitoor, Tehsil Baap, District Phalodi, Rajasthan
	Welspun Solar AP Private Limited - Villages Shrimandrup Nagar and Rawra Tehsil Phalodi, District Jodhpur, Rajasthan
	Welspun Solar UP Private Limited - Village Kolayat, Bikaner, Rajasthan
	Welspun Solar Madhya Pradesh Private Limited - Villages Bhagwanpura Diken Padaliya Taluk Jawad and Singoli, District Neemuch, Madhya Pradesh - Villages Padaliya and Bhadhawa Taluk Singoli, District Neemuch, Madhya Pradesh
	Welspun Energy Maharashtra Private Limited - MIDC Mangalwedha (G.C.) Taluka Mangalwedha, Maharashtra
	Clean Sustainable Solar Energy Private Limited - Village Shirshuphal, Baramati, Pune, Maharashtra
	Welspun Solar AP Private Limited - Plot 5A, 6A & 6B IDC park, APIIC, Pulivendula, Kadapa District, Andhra Pradesh
	Welspun Renewables Energy Private Limited (Balpanur, Kadapa), (Vermalapudu, Ananthpur), (Rajapura, Chitradurga) (Kodihalli, Chitradurga), (Talak, Chitradurga), (Veeriyapalayam Village, Krishnarayauram Taluk, Karur District), (Iyermalai Vayalur Village, Krishnarayauram, Karur District), (Kaithar, Metupirancheri Village, Manur Taluk, Tiruneliveli), (Noida, U.P.), (Bhiwadi, Rajasthan)
	Welspun Solar Kannada Private Limited - Villages Nagasamudra & Heruru Taluka Molakalamuru, District Chitradurga, Karnataka
	Welspun Solar Punjab Private Limited - Villages Jagaram Tirath & Teona Pujarian, Tehsil Talwandi Sabo, Bhatinda
	Welspun Solar Tech Private Limited - Musri, Trichy
	Welspun Energy Jharkhand Private Limited - Bahera, Block: Dobhi, Post Office: Barachatti Anchal, Gaya, Bihar - Savkala & amp; Khaira Khurd, Block Amas, Post Office: Sherghati Anchal Sherghati, Gaya, Bihar
	Welspun Solar Rajasthan Private Limited - 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

(l) **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: investorcomplaints@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 instrument such as Forward, Options or combination of both.
10. The Company has complied with all the requirement 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 23rd August 2017.

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 Agents 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 dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Table 24

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Upto and including the Financial Year 1994-95	Transferred to General Revenue Account of the Central Government	Yes	Office of the Registrar of Companies, Central Government Office Building, A-wing, 2nd Floor, CBD Belapur, Navi Mumbai-400 614, Maharashtra. Application to be made in Form II prescribed by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
For the Financial Years 1995-96 to 2008-09	Transferred to the IEPF of the Central Government	Yes	Pursuant to sub-section (6) of Section 124 of the Act and rule 7(1) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, an application can be filed to the Authority in Form IEPF-5 for claiming unpaid amounts and shares out of IEPF.
For the Financial Years 2009-10 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSRDL, Registrars and Share Transfer Agents.

The Company sends reminders to those Members who have not claimed their dividend. The following unclaimed amounts were transferred to IEPF during FY17:

Table 25

Particulars	Amount (₹)
Unclaimed dividend with the Company	1,01,66,943
Legal outstanding cases to be retained	(2,56,956)
Unclaimed matured deposits with the Company	0
Interest accrued on the unpaid mature deposits	0
Total amount transferred during the year	**99,10,976**

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2010-16 are provided hereunder:

Table 26

Date of dividend declaration	Unclaimed Dividend (As on 31.03.2017)	Last date for claiming payment from TSRDL
08.09.2010	1,11,74,736	10.10.2017
24.08.2011	1,29,51,663	27.09.2018
17.08.2012	1,37,62,364	20.09.2019
16.08.2013	1,41,46,304	19.09.2020
13.08.2014	1,75,43,598	15.09.2021
05.08.2015	2,00,53,627	07.09.2022
21.09.2016	2,56,87,292	24.10.2023

Members may visit the Company's website www.tatapower.com (Investor Relations – Investor Helpdesk – Amounts pending transfer to IEPF) for tracking details of any unclaimed amounts, pending transfer to IEPF. Members are requested to get in touch with TSRDL for claiming the unclaimed dividend, if any, standing to the credit of their account.

➢ **Unclaimed Shares**

With the enforcement of Section 124(6) of the Act read with Rule 6(2) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, every Company is mandatorily required to transfer the underlying shares (both in physical as well as demat mode), for which the dividend has been unpaid or unclaimed for a consecutive period of seven years, to IEPF.

As per Notification dated 28th February 2017 of the Ministry of Corporate Affairs: Pursuant to second proviso to Rule 6 of said IEPF Rules, 2016 notified on 28th February 2017, where seven year period provided under sub-section (5) of Section 124 is completed during 7th September 2016 to 31st May 2017, the due date for transfer of such shares by companies is 31st May 2017 (due date of transfer).

In accordance with the requirement of said Section 124 and Regulation 39(4) read with clause B of Schedule VI to the Listing Regulations, the Company has informed, at the latest available address, the shareholder(s) [whose shares are lying unclaimed/undelivered with the Company (both in physical as well as demat mode) for which the dividend has been unpaid or unclaimed for a consecutive period of seven years] concerned regarding transfer of shares three months before the said due date of transfer of shares and also simultaneously published a notice in the leading newspaper in English and regional language having wide circulation informing the concerned that the names of such shareholders and their folio number or DP ID - Client ID are available on the website duly mentioning the website address.

➢ **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.

➢ **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

- **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'.

- **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 FY2017. 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, 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 2017.

For The Tata Power Company Limited
Anil Sardana
CEO & Managing Director

Mumbai, 19th May 2017

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
THE TATA POWER COMPANY LIMITED

1. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **The Tata Power Company Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Udayan Sen
Partner
(Membership No. 31220)
Mumbai, 19 May, 2017

BUSINESS RESPONSIBILITY REPORT

Thermal Power Plant, MPL Maithon, Jharkhand

BUSINESS RESPONSIBILITY REPORT

Introduction

The Tata Power Company Limited (Tata Power), India's largest integrated player and private power producer, accomplished over a 100 years of operations with its consistent focus on responsible growth. The Company is a pioneer in leadership in technology adoption and care towards all its stakeholders. The major businesses of the Company are in Generation, Transmission, Distribution-cum-Retail, Power Trading, Power Services, Coal Mines and Logistics, Strategic Engineering for defence applications, Solar Photo-voltaic (PV) manufacturing and associated project management services (Engineering, Procurement, and Construction). As of 31st March 2017, the Company had an installed generation capacity of 10,613 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) had 29.70% of its capacity [in Megawatt (MW) terms] in clean and green sources (Hydro, Wind, Solar and Waste Heat Recovery).

The Company embodies the Tata Group's philosophy of building a strong sustainable business that is firmly rooted in the concept of Leadership with Care. Tata Power has instituted 'Care' as one of the core values which entrust Care for Environment, Care for Community, Care for Customer, and Care for People, i.e. employees, shareholders, suppliers, partners, etc. in its Sustainability Model. The aim is 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.

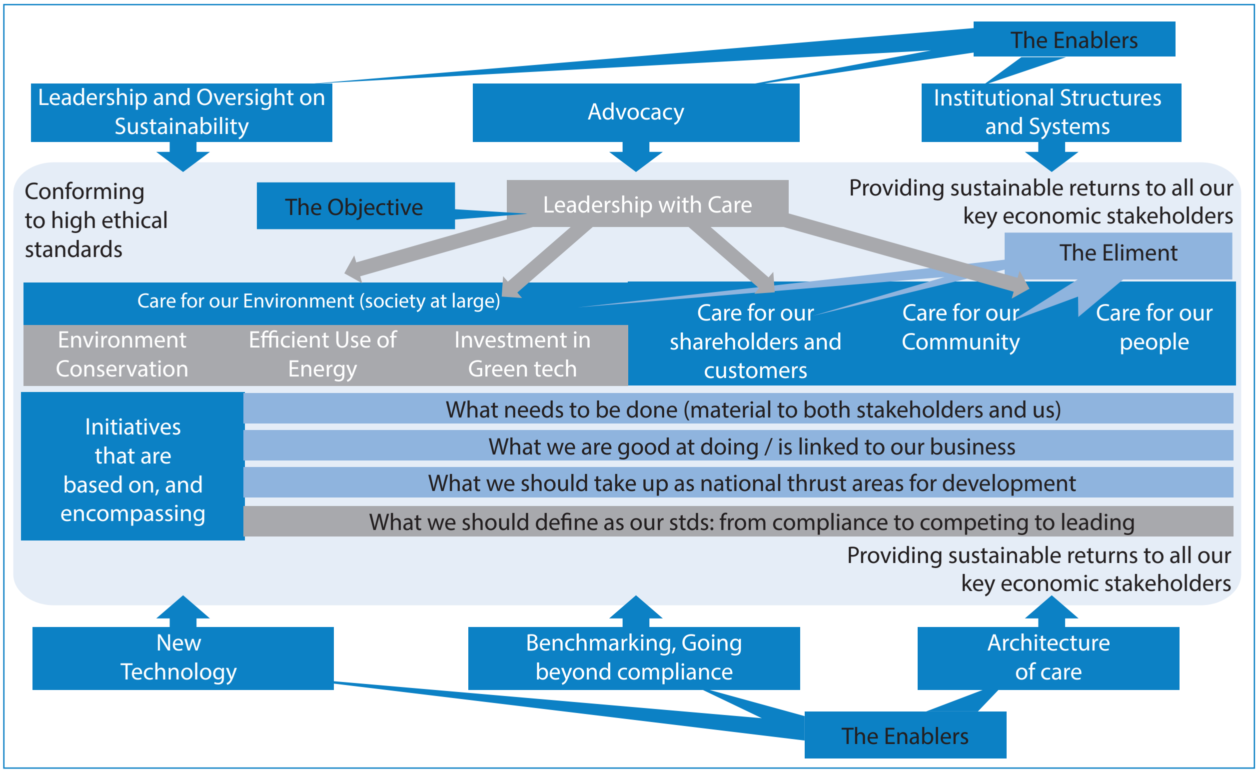


Fig. Tata Power Sustainability Model

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 Tata Power:

- Safety - Safety is a core value over which no business objective can have a higher priority.
- Agility - Speed, Responsiveness and being Proactive, achieved through Collaboration and Empowering Employees.
- Care - Care for Stakeholders - Environment, Customers and Shareholders – both existing and potential, Community and People (employees and partners).
- Respect - Treat all stakeholders with respect and dignity.
- Ethics - Achieve the most admired standards of ethics, through integrity and mutual trust.

- Diligence - 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 compliance to statutory requirements is of utmost importance at Tata Power and this Business Responsibility Report (BRR) is one of the examples of being a responsible Company. Tata Power was recognised by the coveted CII-ITC Sustainability Awards for its significant achievement on Biodiversity and Corporate Social Responsibility (CSR).

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.**	sustainability.reporting@tatapower.com
6.	**Financial Year reported**	2016-17

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 the 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 Vietnam.

ii. Number of National Locations: Tata Power has 101 locations. The operational status as on 31st March 2017 is given below:

State	No. of Project Locations	Hydro	Wind	Solar	Thermal	Transmission	Distribution
Maharashtra	21	3	9	6	1	1	1
Jharkhand	2	-	-		2	-	-
Delhi	18	-	-	15	1	1	1
Gujarat	21	-	15	5	1	-	-
Karnataka	6	-	1	5	-	-	-
Tamil Nadu	7	-	1	6	-	-	-
West Bengal	1	-	-	-	1	-	-
Rajasthan	8	-	4	4		-	-
Odisha	1	-	-	-	1	-	-
Madhya Pradesh	3	-	1	2	-	-	-
Andhra Pradesh	6	-	3	3	-	-	-
Bihar	2	-	-	2	-	-	-
Haryana	1	-	-	1	-	-	-
Punjab	2	-	-	2	-	-	-
Telangana	1	-	-	1	-	-	-
Uttar Pradesh	1	-	-	1	-	-	-

10. Markets served by the Company- Local/ State/ National/ International

The markets served by Tata Power are listed below:

Local/ State/ National			**International** (major 5)
Delhi License Area	Karnataka	Tamil Nadu	South Africa
Gujarat	Maharashtra	West Bengal	Singapore
Haryana	Mumbai License Area	Odisha	Georgia
Himachal Pradesh	Punjab	Madhya Pradesh	Zambia
Jharkhand (Jamshedpur Circle)	Rajasthan	Telangana	Vietnam
Andhra Pradesh	Bihar		

Section B: Financial Details of the Company

Paid up Capital	₹ 270.48 crore
Total Turnover (Standalone)	₹ 7282 crore
Total Profit After Taxes (Standalone)	₹ 283 crore
Total Spending on CSR as percentage of Profit After Tax (%)	2%

List of activities in which expenditure in the above has been incurred

The CSR activities are carried out by Community Relations (CR) department under the five thrust areas. The CSR Committee proposes the expenditure to be incurred on the CSR programs. The percentage spend thrust area wise is given below:

Thrust Areas	**% spent**
Augmenting Primary Education System with focus on Girl Child (VIDYA)	11.85
Building and Strengthening Healthcare facilities including Safe drinking water (AROGYA/SWATCH JAL)	13.47
Enhancing Programs and Livelihood and Employability (SAMRIDDHI & DAKSH)	29.34
Building Social Capital and Infrastructure (SANRACHNA)	9.75
Nurturing Sustainability for Inclusive Growth (AKSHAY)	35.59

Section C: Other Details

1. Does the Company have any subsidiary company/companies?

Tata Power has 52 subsidiaries as on 31st March 2017

2. Do the subsidiary company/companies participate in the Business Responsibility (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 Tata Power. Tata Power 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 five 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 areas like Health & Safety, Environment, Human Rights and Ethics & Compliance. The suppliers/ vendors are required to ensure conformance to the RSCM parameters in addition to 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**	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
Phone Number	022 6717 1507
E-mail id.	vivektalwar@tatapower.com

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

The National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly given 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
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 also confirm to the international standards like ISO 9000, ISO 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 the Company has a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The policies at Tata Power 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?	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, a cross functional review mechanism is in place for reviewing the policies and their implementation based on the commitment framework. Periodic evaluation of all policies is carried out and related risk controls are set in place.								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

<table>
<tr><th>S.No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1.</td><td>The Company has not understood the Principles</td><td colspan="9" rowspan="6">Tata Power policies were developed based on requirement and aim to strengthen governance structure management system, and overall sustainability of the Company.</td></tr>
<tr><td>2.</td><td>The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles</td></tr>
<tr><td>3.</td><td>The Company does not have financial or manpower resources available for the task</td></tr>
<tr><td>4.</td><td>It is planned to be done within next 6 months</td></tr>
<tr><td>5.</td><td>It is planned to be done within the next 1 year</td></tr>
<tr><td>6.</td><td>Any other reason (please specify)</td></tr>
</table>

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 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 Companies Act, 2013 (the Act) and the Rules prescribed under the Act. SAC comprises of Tata Power's Senior Management, Board Member(s), 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. CEO & MD of the Company is the Chairman of SAC. The SAC's role is to challenge the organisation's strategies on sustainability issues and also guide Tata Power 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

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Tata Power publishes Sustainability Report in accordance with Global Reporting Initiative (GRI) annually. This recent Sustainability Report is based on the GRI G4 Guideline, which can be viewed at 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, Tata Power abides by the TCoC which was first formally articulated in 1998, refreshed in 2015 and unveiled by the Group Chairman on 29th 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 representing/dealing with Tata Power, thus covering 100% of its operations through trainings and modules. TCoC consists of 10 sections and 59 sub-clauses, that cover Financial Reporting, National Interests, Political Non-Alignment, Health, Safety and Environment, Corporate Citizenship, Ethical Conduct and Anti-Corruption.

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 16-17	Satisfactorily resolved by the management (%)
Employees	45	100
Vendors	08	88
Investors	21	76
Society	03	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 in the business of Generation, Transmission and Distribution of electricity. The element of 'Care' is embedded for environment, shareholders, community, and people including employees, partners and suppliers.

Generation: At all generating stations, Safety, Occupational Health of the employees (permanent/ contract) is considered important. Tata Power's Strategic Intent 2025 has considered achieving 30-40% generation portfolio from non- fossil sources to reduce impact on the environment. Further, all thermal stations of Tata Power are IMS compliant.

Transmission: Tata Power 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". As part of World Environment Day celebrations, under tree plantation drive, total 630 tree saplings were planted at various locations of transmission.

Distribution: Various initiatives like safety audits and mock drills in consumer premises, Club Enerji, Demand Side Management Programs, Be Green create awareness to customers on energy efficiency and its conservation, safety, carbon footprint etc.

200 saplings were distributed to consumers visiting CRCs on the occasion of World Environment Day.

Practice of using solar powered warning lights introduced for excavation barricades which has stopped usage of DG sets which ware being used for lighting of small lamps all along the barricades, avoiding noise pollution in surrounding areas.

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?**

There are various initiatives such as ash utilization, reduction of specific water consumption and auxiliary power consumption, zero discharge, rain water harvesting, energy conservation, utilization of scrap etc. The Company has achieved substantial reduction in water as well as auxiliary power consumption compared to previous year at some locations. At Tata Power, energy efficiency is a way of managing and limiting the increase in energy consumption. As a utility Company, the operations are more energy efficient if they generate more units for the same energy input, or maintain the quantity of units generated for less energy input. The energy consumption arises from the consumption of fuel for generation (direct consumption).

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company has developed programmes for different types of consumers. For residential consumers in Mumbai, we have 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 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. The Company has encouraged consumers to opt for paperless e-billing in FY17. Total 17,764 consumers are availing e-billing facility.

The Company also facilitated the implementation of national level Domestic Efficient Lighting Program (DELP) / UJALA Program in Mumbai. The DELP/UJALA Program has witnessed the distribution of more than 1.1 lakh LED bulbs for Tata Power consumers in Mumbai during FY 2016-17.

Additionally, the Company 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. Tata Power Club Enerji is spearheaded with the involvement of school children. Club Enerji has reached 500 schools across India, sensitized more than 15.81 million citizens and saved more than 20.89 million units till date. This saving is equivalent to saving 20,263 tons of CO^{2}. 1,526 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 promotes environmental harmony (including compliance to statutory requirement and stringent emission related performance guarantees), 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. In addition to engaging local workforce and community development which is part of project development commitments, Tata Power 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.

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 stronger.

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?

Yes, the Company takes initiative to procure local goods and services. Also, the community surrounding plant sites are employed in the plant through contractors under different categories depending on their skill set, ensuring employment and development of communities around the plant sites. The contractor workforce are being trained under the TPSDI initiatives/ programmes to develop / upgrade the skills of workforce to ensure safe and efficient work practices. Thus, the Company contributes to capability building of the contractors as well as it can be ensured that the workforce is adequately trained to safely perform the job efficiently with higher productivity and quality standards.

The Company operates full-fledged, well equipped TPSDI centres pan India so that skill development/ capacity building can be progressed over a period of time.

Representative from Corporate Contracts Department of the Company has been identified as single point of contact at the corporate level, as well as at Division/Site level (Procurement Heads at Division) to facilitate development of Affirmative Action (SC/ST) vendors. Tata Power has recently formulated the 'Affirmative Action (AA) process for Vendor Enlistment and Ordering' to encourage and evolve entrepreneurship skill among SC/ST communities, so as to be a part of our business associates. It also make them compete against the backdrop of so far established and proven sources through a price preference of 5% over the L1 bidder and also gives incentive of 1% of contract value for engaging workforce from AA community. Tata Power also promotes entrepreneurship at community level by supporting enterprise development by SC/ST community. It also supports Self-Help Group (SHG) members to start income generation activities and supports farmers, to make the community members self-reliant.

Payment terms for MSME (Micro, Small & Medium Enterprises) vendors have been given favourable payment terms to improve their cash flow and financial positions.

The Company has procured goods and services worth ₹ 27.70 crore business with 83 SC/ST vendors during the current financial year as against ₹ 17.65 crore business with 36 SC/ST vendors in last financial year.

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. Tata Power'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 authorized recyclers. Other wastes such as steel, wood are reused internally.

Principle 3

As on 31st March 2017

1.	Please indicate the total number of employees	3136
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis	733 (there is a footfall of 11,989 contractor employees for assigned jobs)
3.	Please indicate the number of permanent women employees	290
4.	Please indicate the number of permanent employees with disabilities	4 employees (2 officers + 2 staff)
5.	Do you have an employee association that is recognized by management?	Yes, Employee Union (recognized by the management)
6.	What percentage of your permanent employees is members of this recognized employee association?	30% are union employees (949) out of 3136 of the total permanent employees of Tata Power.

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	7,857 Manhours
Safety Capability Training	17,176 Manhours
Technical Training	Nil
Casual/Temporary/Contractual Employees	
Safety Induction Training	1,37,655 Manhours
Safety Capability Training	2,08,534 Manhours

Principle 4

1. Has the Company mapped its internal and external stakeholders?

Yes, Tata Power 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 AA Policy across all its neighbourhood and beyond. Besides this, the Company is also working with women and marginalized children with a purpose of mainstreaming them.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

Tata Power works with the marginalized and disadvantaged communities which include tribal villages, vulnerable children who are in great need of care, protection & 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 5 thrust areas of CR program. Some major AA Program details are given below;

- Supported 50 families from SC/ST category to set up poultry farms as a livelihood model. Each family has got permanent poultry structure of 200 sq. ft. in size with 500 days old birds. Spent ₹ 27 lakh in Maval and Jawhar Program in phase one. Target is to increase income from ₹ 8,000 to ₹ 10,000 per month of each family and generate market linkage for ensure sustainable improvement in poultry initiative.
- Supported 1,553 SC/ST farmers in developing demonstration plots, improved variety of seeds, advanced technology and integrated watershed management practices.
- Promoting women empowerment through Self Help Group (SHG) formation and building their capacities through fund generation and collective livelihood models. 1,052 women are linked with SHG in all our locations.
- 2,712 SC/ST youths have been covered under employability through employability initiatives like ITI and TPSDI. 3 out

of 4 students who got trained in TPSDI, got placed in Ambernath and currently, earning ₹ 8,000 to ₹ 10,000 per month.

- 20,397 SC/ST students got benefited through education related interventions like smart class, computer education, e- learning, setting up libraries, Shiksha Saarthi, parent engagements etc.
- Sponsoring high performing students through scholarships like Foundation for Academic Excellence and Access (FAEA) at Tata group level for X[th] and XII[th] standard students. Supporting Kalinganagar Institute of Social Science (KISS) School who is catering educational services to 25000 Tribal School by providing school furniture of ₹ 30 lakh.
- Extra coaching classes, spoken english, sports promotion programs are conducted in schools to improve interpersonal skills and personality of the students.
- Water, sanitation and hygiene issues are getting addressed to make Open Defecation Free (ODF) villages as a part of Swachha Bharat Abhiyan by sensitizing through Community Lead Total Sanitation (CLTS) campaigns.

Apart from the above, the Company also undertakes several initiatives to engage with other disadvantaged areas of the Country as under:

Health: Integrated health approach with emphasis on tie up with government facilities, also giving importance to major health initiatives through prevention and sensitization on water related programs.

Education: Learning level shows positive trends amongst children in the primary schools with special focus on remedial classes, e-learning and teacher training. 500 schools were covered through various educational initiatives impacting 60,000 students.

Women Empowerment: SHG took a step forward in supporting each other during crisis by providing small loans facility at 1% per month as against 5% by landlords. ₹ 76 lakh as internal lending were raised.

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?**

Tata Power respects Human Rights and has developed 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, Tata Power ensure 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 FY17.

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.**

Tata Power has a dedicated Environment Policy along with Policies on Energy Conservation, Sustainability, E-waste Management etc. These policies aim to achieve business excellence in environment protection, occupational health and safety. 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 by taking essence from the Company policy. However, the policy on RSCM has environment protection as one of its criteria applicable to all its 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, Tata Power aims to generate 30-40% of its generating capacity from non-fossil sources like hydro, solar, wind, waste heat recovery etc. Hyperlink for the Company webpage is www.tatapower.com/sustainability/communication.aspx

3. **Does the Company identify and assess potential environmental risks?**

Yes, environment risks are identified in the risk matrix and discussed in the annual review meeting of the Audit Committee of Directors. Once risks are identified, steps are taken to measure and mitigate these risks through the management system approach.

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). Tata Power 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 FY 2016-17, volume of 2,34,650 Carbon Credits (CERs) were traded from these projects collectively. The gross revenue generated from such sale is ₹ 10.90 crore.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Tata Power has a specific policy, timelines and targets for adoption of renewable energy and deployment of cleaner technologies. 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 (value added fly ash products, blending of coal, network management / restoration techniques in T&D etc.) through a structured short / medium & long term technological roadmap.

The Company has a dedicated group Clean Tech & Applied Research to develop value added products from the solid waste i.e. ash which is generated from the thermal power plants. Some of the examples include demonstration of geo polymer cement with liquid additive (laid road), fly ash based cement paint (demo), introduction of liners for hywa (eliminate contamination between fly ash and coal), making bricks, plaster from bottom ash and using fly ash in ultrathin white topping roads and replacement of sand by bottom ash. The Company has increased the efficiencies of solar photovoltaic panels (13% to 16.8%), efficiency improvement initiatives in Renewable Energy (RE) like reactive power compensation, auxiliary consumption reduction, identification of defective modules through electroluminescence test & thermo-vision scanning, low cost hybrid ultra-capacitor (IISc), a multi fuel 5 KW CHP system (indigenisation cum development in progress) and also doing cutting edge research with the involvement of internal R&D Unit for power electronics to a full scale research and manufacturing hub in Bangalore, dedicated to the defense sector. A beginning in software development has been made for usage of drone in condition monitoring of hydro rock mass, stock pile measurement & transmission line tower. Hyperlink for the Company webpage is www.tatapower.com/sustainability/new-technologies.aspx

6. Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, Tata Power 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 of 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.

Tata Power had received one notice (For Mundra - CGPL plant) which has been resolved. There are no show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on 31st March 2017.

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 India Industries (CII)
- Association of Power Producers (APP)
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Indian Merchant 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).

Tata Power doesn't 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. The fly ash brick making units, established in Jojobera, and garment making units, established at Hydros, have incorporated both effective use of fly ash into value proposition creating economic benefit to the community at large. The market linkage establishment has further led to improved confidence among community, who are now the Agents of Change.

2. Are the programs/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

Tata Power 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. Tata Power 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 along with Social Return on Investments which was undertaken for first time this year.

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 2017, the Company has spent ₹ 22.79 crore on various community development projects under 5 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 help of external experts. This process is reviewed once in every 3-5 years with the objective of going back to community. This year, while Company implemented programs with prior community consultation through our teams, Company has also set itself on path of revisiting community needs for the future social aspiration of each location as envisaged by senior leadership. Hence the planning is based on community consultation based feedback of existing programs as per the stage followed by annual evaluations of programs and partners' inputs with a collective approach.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

As on 31st March 2017, none of the customer complaints/ consumer cases beyond Turnaround Time (TAT) is 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).

Tata Power is in the business of generation, transmission and distribution of electricity. As electricity being the product, it requires utmost safety in handling and precautions while using. Tata Power 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.

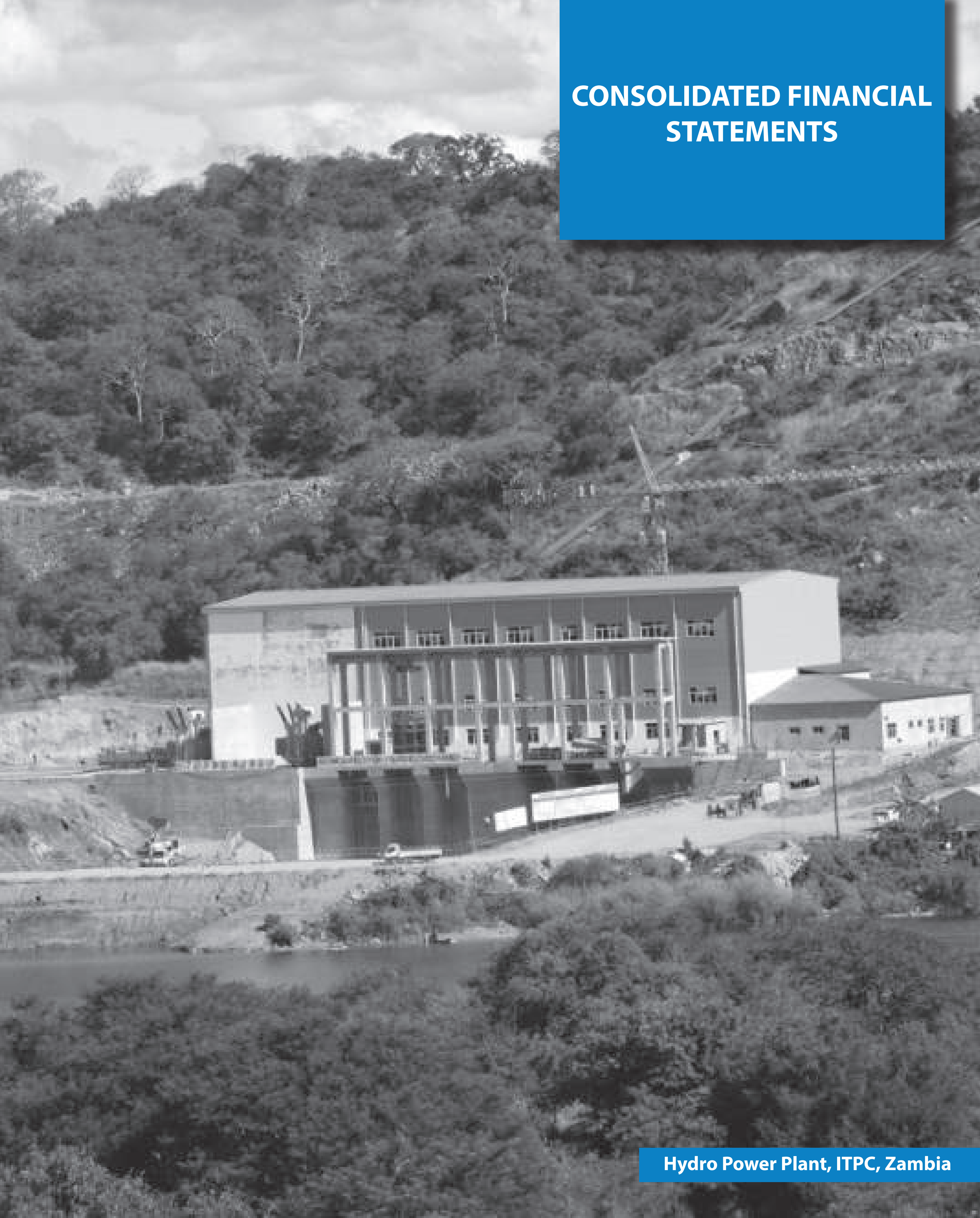
There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2017.

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 on a quarterly basis 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 FY 2016-17, is given below:

Customer	Satisfaction (%)
Residential	82
Industrial	82
Commercial	81

CONSOLIDATED FINANCIAL STATEMENTS



Hydro Power Plant, ITPC, Zambia

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 Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

As described in Note 34 (iii) and (iv) to the consolidated Ind AS financial statements, the fair value of unquoted equity shares of Tata Teleservices Limited (TTSL) has not been determined as at 31st March, 2017. We are, therefore, unable to comment on whether the carrying value of:

a) Investments in TTSL of ₹ 384.88 crore represents the fair value of such investments as at 31st March, 2017 and the consequent impact thereof on Other Comprehensive Income, and

b) 'Other advance', which represent TTSL shares receivable from DoCoMo under a contractual obligation of ₹ 138.55 crore as at 31st March, 2017 represents the fair value of such shares and the consequent impact thereof on the Statement of Profit and Loss.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/consolidated financial statements and other financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to the Consolidated Ind AS financial statements:

a) Note 36(e) to the consolidated Ind AS financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Group in respect of the standby charges estimated at ₹ 519 crore accounted for as revenue in earlier periods and its consequential effects for the period upto 31st March, 2017. The impact of the same on the consolidated Ind AS financial statements for the year ended 31st March, 2017 cannot presently be determined pending the ultimate outcome of the matter. Since the Group is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, adjustment, if any, will be recorded by the Group based on final outcome of the matter.

b) Note 36(g) to the consolidated Ind AS financial statements in respect of entry tax matter, estimated at ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore), has been decided by the Hon'ble Bombay High Court against the Group. The Group is of the view, supported by legal opinions, that it has a strong case on merits and has appealed the matter before the Hon'ble Supreme Court. Adjustments, if any, will be recorded by the Group based on final outcome of the matter.

c) Note 34(ii)(b) to the consolidated Ind AS financial statements, which describes the uncertainties in estimation as at 31st March, 2017 relating to the determination of the carrying amount of assets at Mundra.

d) Note 36(f) to the consolidated Ind AS financial statements, related regulatory deferral account balance of ₹ 591.61 crore in respect of Rithala Plant as at 31st March, 2017. Since the Group is of the view, supported by legal opinion, that the Order of the Delhi Electricity Regulatory Commission (DERC) can be successfully challenged, no adjustment are considered necessary.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements/financial information of 11 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 24,058.40 crore as at 31st March, 2017, total revenues of ₹ 7,400.96 crore and net cash inflows amounting to ₹ 73.75 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1,005.86 crore for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 10 joint ventures, whose financial statements/financial information have not been audited by us.

These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) We did not audit the financial information of 4 subsidiaries, whose financial information reflect total assets of ₹ 34.74 crore as at 31st March, 2017, total revenues of ₹ 45.05 crore and net cash (outflows) amounting to ₹ (0.77) crore for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1.86 crore for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associate and 10 joint ventures, whose financial information have not been audited by us.

These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

(c) The comparative financial information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of 11 subsidiaries, 2 associates and 10 joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial 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 the report of the other auditors on separate financial statements/consolidated financial statements and the other financial information of, subsidiaries, associates and joint ventures companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) The matters described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group's companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses qualified opinion on the operating effectiveness of the Parent's Company's internal financial controls over financial reporting.

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

   ii. Except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph above, 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.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the Management of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

UDAYAN SEN
Partner
(Membership No. 031220)
MUMBAI, 19th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **THE TATA POWER COMPANY LIMITED** (hereinafter referred to as "the Parent") 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 Parent, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

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.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, and as described in note [34(iii) and 34(iv)], in the absence of a valuation report and appropriate evidence to determine the fair value as at 31st March, 2017 of investment in Tata Teleservices Limited (TTSL), a material weakness has been identified relating to inadequate internal financial controls over financial reporting in respect of the assessment of appropriateness of carrying amount of these investments.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, associate companies and joint ventures which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies 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, and except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies, associate company's and joint venture's internal financial controls over financial reporting were operating effectively as of 31st March, 2017.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended 31st March, 2017 and these material weaknesses have affected our opinion on the said consolidated Ind AS financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies and 1 associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

UDAYAN SEN
Partner
(Membership No. 031220)
MUMBAI, 19th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

	Notes	Page	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	4	189	43,012.62	36,100.84	33,311.90
(b) Capital Work-in-Progress			1,923.24	1,134.16	1,022.04
(c) Investment Property			2.49	2.57	2.67
(d) Goodwill	5 a.	191	1,732.48	5.54	5.54
(e) Other Intangible Assets	5 b.	191	1,705.80	307.34	290.98
(f) Intangible Assets under Development			254.68	210.75	78.75
(g) Investments accounted for using the Equity Method	6 a.	193	9,580.09	9,688.40	11,119.23
(h) Financial Assets					
(i) Other Investments	6 b.	207	1,279.14	1,758.43	2,022.21
(ii) Trade Receivables	7	209	187.92	190.00	190.94
(iii) Loans	8	210	77.16	390.37	395.19
(iv) Finance Lease Receivables	9	210	573.47	617.63	661.09
(v) Other Financial Assets	10	212	872.68	667.41	1,025.25
(i) Non-current Tax Assets (Net)	11	213	146.35	110.61	151.19
(j) Deferred Tax Assets (Net)	12 a.	213	91.53	3.20	2.57
(k) Other Non-current Assets	13	216	1,507.55	1,753.97	1,736.74
Total Non-current Assets			**62,947.20**	**52,941.22**	**52,016.29**
Current Assets					
(a) Inventories	14	218	1,599.56	1,373.40	1,430.20
(b) Financial Assets					
(i) Investments	15	218	1,097.78	335.95	406.63
(ii) Trade Receivables	7	209	3,832.12	3,540.24	3,347.57
(iii) Unbilled Revenue			1,081.92	842.64	685.80
(iv) Cash and Cash Equivalents	16 a.	221	835.22	613.15	977.23
(v) Bank Balances other than (iv) above	16 b.	221	119.08	50.01	64.27
(vi) Loans	8	210	655.44	410.27	255.05
(vii) Finance Lease Receivables	9	210	39.16	48.80	42.51
(viii) Other Financial Assets	10	212	913.40	511.49	599.73
(c) Current Tax Assets (Net)	11	213	31.68	3.00	3.00
(d) Other Current Assets	13	216	582.97	933.02	607.74
			10,788.33	8,661.97	8,419.73
Assets Classified as Held For Sale	17	221	1,919.47	1,122.24	1,046.57
Total Current Assets			**12,707.80**	**9,784.21**	**9,466.30**
Total Assets before Regulatory Deferral Account			**75,655.00**	**62,725.43**	**61,482.59**
Regulatory Deferral Account - Assets	18	222	**6,481.35**	**7,334.28**	**7,677.16**
TOTAL ASSETS			**82,136.35**	**70,059.71**	**69,159.75**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	19 a.	223	270.50	270.48	270.48
(b) Unsecured Perpetual Securities	19 b.	224	1,500.00	1,500.00	1,500.00
(c) Other Equity	20	225	11,508.97	11,362.90	11,199.86
Equity attributable to Shareholders of the Company			**13,279.47**	**13,133.38**	**12,970.34**
Non-controlling Interests			**1,868.99**	**1,749.81**	**1,688.39**
Total Equity			**15,148.46**	**14,883.19**	**14,658.73**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	21	227	25,142.96	22,413.88	21,347.06
(ii) Trade Payables			35.57	33.12	29.92
(iii) Other Financial Liabilities	22	229	542.89	571.57	525.83
(b) Provisions	23	230	270.68	243.53	222.65
(c) Deferred Tax Liabilities (Net)	12 b.	214	1,759.83	2,096.86	1,939.80
(d) Non-current Tax Liabilities (Net)	24	231	3.74	3.74	3.74
(e) Other Non-current Liabilities	25	232	3,086.70	3,042.88	2,983.60
Total Non-current Liabilities			**30,842.37**	**28,405.58**	**27,052.60**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	26	232	16,279.79	14,588.91	16,577.52
(ii) Trade Payables			5,529.00	4,401.36	2,856.99
(iii) Other Financial Liabilities	22	229	11,456.68	5,055.98	5,998.65
(b) Provisions	23	230	207.69	262.43	147.56
(c) Current Tax Liabilities (Net)	24	231	40.04	70.16	38.60
(d) Other Current Liabilities	25	232	1,976.32	1,711.72	1,810.74
Total Current Liabilities			**35,489.52**	**26,090.56**	**27,430.06**
Total Liabilities before Regulatory Deferral Account			**66,331.89**	**54,496.14**	**54,482.66**
Regulatory Deferral Account - Liability	18	222	**656.00**	**680.38**	**18.36**
TOTAL EQUITY AND LIABILITIES			**82,136.35**	**70,059.71**	**69,159.75**

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner
Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary
Mumbai, 19th May, 2017.

For and on behalf of the Board,

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

		Notes	Page	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
I	Revenue from Operations	27	233	27,897.72	*29,500.89*
II	Other Income	28	234	202.22	*91.34*
III	**Total Income**			**28,099.94**	***29,592.23***
IV	**Expenses**				
	Cost of Power Purchased			8,218.99	*9,157.53*
	Cost of Fuel			8,692.39	*7,931.06*
	Raw Material Consumed	29	235	1,009.67	*1,136.61*
	Purchase of Finished Goods, Spares & Shares			26.40	*29.60*
	Transmission Charges			224.13	*282.09*
	Cost of Components Consumed			349.98	*397.66*
	Decrease in Stock-in-Trade and Work in Progress	29	235	28.34	*34.16*
	Employee Benefits Expense	30	235	1,295.94	*1,227.51*
	Finance Costs	31	236	3,113.97	*3,235.81*
	Depreciation and Amortisation Expenses	4, 5 b.	192	1,988.59	*1,648.73*
	Other Expenses	32	237	2,205.18	*2,157.68*
	Total Expenses			**27,153.58**	***27,238.44***
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**	***2,353.79***
	Add/(Less): Regulatory income/(expense) (net)	18	222	(686.46)	*(807.97)*
	Add/(Less): Regulatory income/(expense) (net) in respect of earlier years	18	222	77.00	*(167.27)*
				(609.46)	*(975.24)*
VI	**Profit Before Exceptional Items, Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**336.90**	***1,378.55***
	Less: Exceptional Items				
	Reversal of Impairment in respect of Property, Plant and Equipment			Nil	*2,435.51*
	Impairment in the value of Investments in Joint Ventures			Nil	*(2,533.35)*
	Loss Towards Contractual Obligation	34(iv)	240	(651.45)	*Nil*
				(651.45)	***(97.84)***
VII	**Net Profit/(Loss) Before Tax and Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**(314.55)**	***1,280.71***
VIII	**Tax Expense**				
	Current Tax	33	238	609.37	*525.21*
	Deferred Tax	12 d.	216	(655.19)	*155.10*
				(45.82)	*680.31*
IX	**Net Profit/(Loss) for the Year Before Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method**			**(268.73)**	***600.40***
	Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method	6 a.	193	1,217.29	*185.99*
X	**Profit for the Year**			**948.56**	***786.39***
XI	**Other Comprehensive Income/(Expense)**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the Defined Benefit Plans	38 (2.3)	247	(12.07)	*(11.62)*
	(b) Equity Instruments through Other Comprehensive Income			(92.19)	*(258.32)*
	(ii) Tax relating to items that will not be reclassified to profit or loss				
	(a) Current Tax	33 (3)	239	(38.55)	*(1.41)*
	(b) Deferred Tax	12 d.	216	4.48	*(1.33)*
	(iii) Share of Other Comprehensive Income/(Expense) of Associates and Joint Ventures accounted for using the Equity Method	6 a.	193	(63.34)	*(20.77)*
	B (i) Items that will be reclassified to profit or loss				
	(a) Exchange Differences in translating the financial statements of foreign operations			(18.45)	*117.70*
	(b) Share of Other Comprehensive Income of Associates and Joint Ventures accounted for using the Equity Method	6 a.	193	87.40	*151.98*
	Other Comprehensive Income/(Expense)			**(132.72)**	***(23.77)***
XII	**Total Comprehensive Income for the year (X + XI)**			**815.84**	***762.62***
	Profit for the year attributable to:				
	— Owners of the Company			745.48	*662.20*
	— Non-controlling interest			203.08	*124.19*
				948.56	***786.39***
	Other Comprensive Income/(Expense) for the year attributable to:				
	— Owners of the Company			(132.13)	*(23.41)*
	— Non-controlling interest			(0.59)	*(0.36)*
				(132.72)	***(23.77)***
	Total Comprehensive Income for the year attributable to:				
	— Owners of the Company			613.35	*638.79*
	— Non-controlling interest			202.49	*123.83*
				815.84	***762.62***
XIII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share)**				
	Basic (₹)	43	266	2.34	*2.03*
	Diluted (₹)	43	266	2.34	*2.03*

See accompanying notes to the Consolidated Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner

Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2017.

For and on behalf of the Board,

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

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

	For the year ended 31st March, 2017 ₹ crore		*For the year ended 31st March, 2016 ₹ crore*	
A. Cash Flow from Operating Activities				
Net (loss)/profit before Taxes		(314.55)		*1,280.71*
Adjustments for:				
Depreciation and Amortisation Expenses	1,988.59		*1,648.73*	
Reversal of Impairment in respect of Property, Plant and Equipment	Nil		*(2,435.51)*	
Transfer from Contingency Reserves	14.00		*21.00*	
Impairment in the value of Investments in Joint Ventures	Nil		*2,533.35*	
Amortisation of Security Deposits	Nil		*0.14*	
Loss/(Gain) of disposal of Property, Plant and Equipment	18.88		*(22.08)*	
Finance Cost (Net of Capitalisation)	3,113.97		*3,235.81*	
Interest Income	(121.87)		*(219.22)*	
Dividend Income	(5.17)		*(26.72)*	
Gain on Sale on Current Investments measured at FVTPL	(101.98)		*(41.91)*	
Gain on Sale on Investment in Associate accounted for using the equity method	(0.26)		*(21.14)*	
Loss on Sale on Investment in Joint Venture accounted for using the equity method	15.27		*Nil*	
Liabilities / Provisions No Longer Required Written Back	1.48		*(8.32)*	
Allowances for Doubtful Debts/Advances (Net)	43.82		*93.10*	
Amortisation of premium paid on leasehold land	17.31		*19.16*	
Provision for losses	(91.07)		*34.47*	
Impairment of Non-Current Assets Held for Sale	34.00		*Nil*	
Warranty Charges	14.41		*11.05*	
Loss towards Contractual Obligation	651.45		*Nil*	
Delayed Payment Charges	(27.91)		*(27.98)*	
Transfer from Capital Grants	(61.18)		*(51.22)*	
Transfer of Service Line Contributions	(67.00)		*(59.59)*	
Impairment of payment towards lease obligation	31.00		*Nil*	
Guarantee Commission	(9.90)		*(9.96)*	
Realised Exchange (Gain)/Loss on Investing/Financing Activity (Net)	(108.57)		*258.66*	
Unrealised Exchange Loss (Net)	371.10		*69.35*	
		5,720.37		*5,001.17*
Operating Profit before Working Capital Changes		5,405.82		*6,281.88*
Changes in working capital:				
Adjustments for operating assets:				
Inventories	(204.85)		*56.66*	
Trade Receivable	(51.89)		*(242.77)*	
Unbilled Revenue	(236.58)		*(157.03)*	
Finance Lease Receivables	53.80		*37.17*	
Current Loan	(0.53)		*0.47*	
Non-current Loan	0.22		*(0.90)*	
Other Current Assets	395.58		*(328.74)*	
Other Non-current Assets	31.52		*18.94*	
Other Current Financial Assets	(448.02)		*(198.83)*	
Other Non-current Financial Assets	151.68		*346.91*	
Regulatory deferral account Assets	852.93		*342.88*	
Current Investments				
Purchased	(280.68)		*(141.68)*	
Proceeds from sale	292.43		*132.16*	
Non-current Investments				
Purchased	(83.17)		*(0.91)*	
Proceeds from sale	198.08		*5.44*	
Deposits given	Nil		*(20.00)*	
Deposits refunded	20.00		*Nil*	
		690.52		*(150.23)*
Adjustments for Operating Liabilities:				
Trade Payables	1,107.87		*1,554.26*	
Other Current Liabilities	219.57		*(106.15)*	
Other Long-term Liabilities	(39.56)		*11.54*	
Other Current Financial Liabilities	247.37		*(514.65)*	
Other Non-current Financial Liabilities	(27.55)		*47.61*	
Regulatory Account - Liability	(24.38)		*662.02*	
Short-term Provisions	(8.88)		*0.32*	
Long-term Provisions	19.34		*21.77*	
		1,493.78		*1,676.72*
Cash Generated from Operations		7,590.12		*7,808.37*
Net Income Tax Paid		(632.28)		*(393.25)*
Net Cash Flow from Operating Activities A		**6,957.84**		***7,415.12***
Carried over		**6,957.84**		***7,415.12***

Consolidated Statement of Cash Flows for the year ended 31st March, 2017 *(Contd.)*

		For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
	Brought forward ...	6,957.84	*7,415.12*
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Fixed Assets, including Capital Advances	(3,322.27)	*(2,176.85)*
	Sale of Fixed Assets	15.88	*72.53*
	Current Investments		
	Purchased	(39,451.64)	*(19,553.36)*
	Proceeds from Sale	38,908.43	*19,694.29*
	Consideration transferred on business combinations (Refer Note 45)	(3,692.63)	*Nil*
	Purchase of Long-term Investments - Joint Ventures	(25.62)	*(532.64)*
	Purchase of Long-term Investments - Others	(10.26)	*(18.71)*
	Proceeds from Sale of Long-term Investments		
	Joint Ventures	184.72	*Nil*
	Associates	3.50	*21.74*
	Others	0.73	*Nil*
	Inter-corporate Deposits (Net)	90.46	*177.22*
	Interest Received	109.59	*204.59*
	Amount paid under Contractual Obligation	(790.00)	*Nil*
	Delayed payment charges received	27.91	*27.98*
	Commission Received	9.73	*8.46*
	Dividend Received		
	Joint Ventures	499.07	*203.42*
	Associates	12.43	*12.24*
	Others	5.17	*26.72*
	Bank Balance not Considered as Cash and Cash Equivalents	5.83	*14.27*
	Net Cash Flow Used in investing activities B	**(7,418.97)**	***(1,818.10)***
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Shares including shares issued to Minority Shareholders	0.87	*0.02*
	Increase in Capital Contributions	156.35	*158.28*
	Payment towards acquisition of stake from non-controlling interest	(266.71)	*Nil*
	Proceeds from Long-term Borrowings	8,718.40	*5,476.74*
	Repayment of Long-term Borrowings	(5,943.32)	*(5,416.44)*
	Debenture/Share Issue Expenses	Nil	*(1.69)*
	Proceeds from Short-term Borrowings	13,524.43	*12,168.48*
	Repayment of Short-term Borrowings	(11,338.75)	*(14,728.92)*
	Interest Paid (including Interest Capitalised)	(3,270.42)	*(3,246.29)*
	Dividend Paid	(415.34)	*(411.18)*
	Additional Income-tax on Dividend Paid	(0.59)	*(11.60)*
	Distribution on Unsecured Perpetual Securities	(171.24)	*(170.85)*
	Net Cash Flow from/(used) in Financing Activities C	**993.68**	***(6,183.45)***
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**532.55**	***(586.43)***
	Cash and Cash Equivalents as at 1st April (Opening Balance)	**239.79**	**813.34**
	Cash and Cash Equivalents Acquired on Business Combinations (Net of Bank Overdraft ₹ 3.95 crore) (Refer Note 45)	**53.85**	***Nil***
	Effect of Exchange Fluctuation on Cash and Cash Equivalents	**(7.61)**	***12.88***
	Cash and Cash Equivalents as at 31st March (Closing Balance)	**818.58**	***239.79***

Notes:

		As at 31st March, 2017 ₹ *crore*	*As at 31st March, 2016 ₹ crore*
1	Cash and Cash Equivalents include:		
(i)	Balances with Banks:		
	In Current Accounts	459.91	*495.44*
	In Deposit Accounts (with original maturity less than three months)	349.29	*80.72*
(ii)	Cheques on Hand	23.60	*35.86*
(iii)	Cash on Hand	2.42	*1.13*
(iv)	Bank Overdraft (Refer Note 26)	(16.64)	*(373.36)*
		818.58	***239.79***

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner
Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary
Mumbai, 19th May, 2017.

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

Consolidated Statement of Changes in Equity

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at 1st April, 2015	270,46,25,254	270.48
Issued during the year	4,144	*
Balance as at 31st March, 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

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at 1st April, 2015	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2016	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2017	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	Retained Earnings	Equity Instrument through Other Comprehensive Income	Foreign Currency Translation Reserve	Effective portion of cash flow hedge			
Balance as at 1st April, 2015	*3,996.37*	*5,646.93*	*434.66*	*15.76*	*221.30*	*70.18*	*90.34*	*725.41*	*Nil*	*(1.09)*	*11,199.86*	*1,688.39*	*12,888.25*
Profit for the year	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*662.20*	*Nil*	*Nil*	*Nil*	*662.20*	*124.19*	*786.39*
Other Comprehensive Income / (Expense) for the year (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*15.78*	*(308.10)*	*274.44*	*(5.53)*	*(23.41)*	*(0.36)*	*(23.77)*
Total Comprehensive Income	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*677.98*	*(308.10)*	*274.44*	*(5.53)*	*638.79*	*123.83*	*762.62*
Issue of Equity Shares during the year	*Nil*	*0.02*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*0.02*	*Nil*	*0.02*
Dividend paid (including tax on dividend)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(363.59)*	*Nil*	*Nil*	*Nil*	*(363.59)*	*(62.41)*	*(426.00)*
Transfer to Retained Earnings on Sale of Shares	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*4.11*	*(4.11)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Transfer to General Reserve	*90.16*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(90.16)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Transfer to Debenture Redemption Reserve	*Nil*	*Nil*	*130.05*	*Nil*	*Nil*	*Nil*	*(130.05)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Transfer to Special Reserve Fund	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*4.55*	*(4.55)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Distribution on Unsecured Perpetual Securities (Net of Tax)	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*(112.18)*	*Nil*	*Nil*	*Nil*	*(112.18)*	*Nil*	*(112.18)*
Balance as at 31st March, 2016	***4,086.53***	***5,646.95***	***564.71***	***15.76***	***221.30***	***74.73***	***71.90***	***413.20***	***274.44***	***(6.62)***	***11,362.90***	***1,749.81***	***13,112.71***

Consolidated Statement of Changes in Equity *(Contd.)*

C. Other Equity *(Contd.)*

₹ 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	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	71.90	413.20	274.44	(6.62)	11,362.90	1,749.81	13,112.71
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	745.48	Nil	Nil	Nil	745.48	203.08	948.56
Other Comprehensive Income / Expense for the year (Net of Tax)	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	715.23	(170.85)	62.98	5.99	613.35	202.49	815.84
Issue of Equity Shares during the year	Nil	0.85	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	(352.58)	Nil	Nil	Nil	(352.58)	(97.32)	(449.90)
Non-controlling interest on acquisition of Subsidiaries (Refer Note 45)	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	(3.11)	Nil	Nil	Nil	(3.11)	3.11	Nil
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	Nil	141.62	(141.62)	Nil	Nil	Nil	Nil	Nil
Transfer to Debenture Redemption Reserve	Nil	Nil	510.14	Nil	Nil	Nil	(510.14)	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to Special Reserve Fund	Nil	Nil	Nil	Nil	Nil	28.12	(28.12)	Nil	Nil	Nil	Nil	Nil	Nil
Distribution on Unsecured Perpetual Securities (Net of Tax)	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**	**(77.64)**	**100.73**	**337.42**	**(0.63)**	**11,508.97**	**1,868.99**	**13,377.96**

@ includes ₹ 159.74 crore on account of business combination.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner
Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary
Mumbai, 19th May, 2017.

For and on behalf of the Board,

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

Notes to the Consolidated Financial Statements

1. Background:

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 Company and its subsidiaries (collectively referred to as 'the Group') is India's largest integrated power company with a growing international presence. The Group together with its joint venture companies has an installed gross generation capacity of 10,577 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 is serving more than 2.6 million distribution consumers in India and has developed the country's first 4,000 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 3,141 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 a multi-fold growth and committed to 'lighting up lives' for generations to come.

2. Significant Accounting Policies:

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.

Upto the year ended 31st March, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006. These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. The date of transition to Ind AS is 1st April, 2015.

Refer Note 46 for details of first-time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.3 Basis of Consolidation:

(i) The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company, its controlled entities 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.

(ii) 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.

Notes to the Consolidated Financial Statements

(iii) 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.

(iv) 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.

(v) 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, 2017**	***% voting power held as at 31st March, 2016***	***% voting power held as at 1st April, 2015***
Subsidiaries (Direct)				
Af-Taab Investment Co. Ltd. (AICL)	India	100	*100*	*100*
Chemical Terminal Trombay Ltd. (CTTL)	India	100	*100*	*100*
Tata Power Trading Co. Ltd. (TPTCL)	India	100	*100*	*100*
NELCO Ltd. (NELCO)	India	50.04	*50.04*	*50.04*
Maithon Power Ltd. (MPL)	India	74	*74*	*74*
Tata Power Delhi Distribution Ltd. (TPDDL)	India	51	*51*	*51*
Coastal Gujarat Power Ltd. (CGPL)	India	100	*100*	*100*
Bhira Investments Ltd. (BIL)	Mauritius	100	*100*	*100*
Bhivpuri Investments Ltd. (BHIL)	Mauritius	100	*100*	*100*
Khopoli Investments Ltd. (KIL)	Mauritius	100	*100*	*100*
Trust Energy Resources Pte. Ltd. (TERL)	Singapore	100	*100*	*100*
Industrial Power Utility Ltd. (IPUL) #	India	100	*100*	*100*
Tata Ceramics Ltd. (TCL) #	India	57.07	*57.07*	*Nil*
Tata Power International Pte. Ltd. (TPIPL)	Singapore	100	*100*	*100*
Tata Power Solar Systems Ltd. (TPSSL)	India	100	*100*	*100*
Tata Power Renewable Energy Ltd. (TPREL)	India	100	*100*	*100*
Tata Power Jamshedpur Distribution Ltd. (TPJDL) #	India	100	*100*	*100*
Subsidiaries (Indirect)				
PT Sumber Energi Andalan Tbk. (SEA)	Indonesia	94.61	*94.61*	*94.61*
Tata Power Green Energy Ltd. (TPGEL)	India	100	*100*	*100*
NDPL Infra Ltd. (NDPLIL)	India	51	*51*	*51*
Energy Eastern Pte. Ltd. (EEL)	Singapore	100	*100*	*100*
Tatanet Services Ltd. (TNSL) (Consolidated with NELCO Ltd.)	India	50.04	*50.04*	*50.04*
Supa Windfarm Ltd. (SWFL)	India	100	*100*	*Nil*
Poolavadi Windfarm Ltd. (PWL)	India	100	*100*	*Nil*
Nivade Windfarm Ltd. (NWL)	India	100	*100*	*Nil*

Notes to the Consolidated Financial Statements

Name	Country of Incorporation	% voting power held as at 31st March, 2017	*% voting power held as at 31st March, 2016*	*% voting power held as at 1st April, 2015*
Indo Rama Renewables Jath Ltd. (IRRJL) $	India	100	*Nil*	*Nil*
Welspun Renewables Energy Pvt Ltd (WREPL) $	India	99.99	*Nil*	*Nil*
Clean Sustainable Solar Energy Private Limited (CSSEPL) $ @	India	100	*Nil*	*Nil*
Dreisatz Mysolar24 Private Limited (DMPL) $ @	India	73.60	*Nil*	*Nil*
MI Mysolar24 Private Limited (MIMPL) $ @	India	74	*Nil*	*Nil*
Northwest Energy Private Limited (NEPL) $ @	India	100	*Nil*	*Nil*
Solarsys Energy Private Limited (SEPL) $ @ ^	India	100	*Nil*	*Nil*
Solarsys Renewable Energy Private Limited (SREPL) $ @	India	72.50	*Nil*	*Nil*
Unity Power Private Limited (UPPL) $ @	India	74	*Nil*	*Nil*
Viraj Renewables Energy Private Limited (VREPL) $ @	India	100	*Nil*	*Nil*
Welspun Energy Jharkhand Private Limited (WEJPL) $ @	India	100	*Nil*	*Nil*
Welspun Energy Maharashtra Private Limited (WEMPL) $ @	India	100	*Nil*	*Nil*
Welspun Energy Rajasthan Private Limited (WERPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar AP Private Limited (WSAPPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar Kannada Private Limited (WSKPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar Madhya Pradesh Private Limited (WSMPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar Punjab Private Limited (WSPPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar Rajasthan Private Limited (WSRPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar Tech Private Limited (WSTPL) $ @	India	100	*Nil*	*Nil*
Welspun Solar UP Private Limited (WSUPPL) $ @	India	100	*Nil*	*Nil*
Welspun Urja Gujarat Private Limited (WUGPL) $ @	India	100	*Nil*	*Nil*
Chirasthayee Saurya Limited (CSL) (Consolidated with Tata Power solar Systems Ltd.)	India	100	*Nil*	*Nil*
Nelco Network Products Ltd. (NNPL) (Consolidated with NELCO Ltd.)	India	50.04	*Nil*	*Nil*
Vagarai Windfarm Limited (VWL) # @	India	100	*Nil*	*Nil*
Welspun Urja India Limited (WUIL) $	India	100	*Nil*	*Nil*

Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2017.

$ Acquired during the year - Refer Note 45

@ Consolidated with Welspun Renewables Energy Pvt Ltd (WREPL)

^ Merged with Welspun Renewables Energy Pvt Ltd (WREPL)

Notes to the Consolidated Financial Statements

2.4 Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in 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.

2.5 Use of Estimates

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

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

Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, impairment of property, plant and equipment, impairment of goodwill, valuation of current and deferred tax expense, fair value of unquoted securities and impairment of investments, valuation of defined benefit obligations, regulatory deferral accounts and provisions and contingent liabilities.

Impairment of Property, Plant and Equipment:

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

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Impairment of Goodwill:

The Group estimate the value in use of the cash generating unit based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the cash generating unit's represent the weighted average costs of capital based on the historical market returns of comparable companies.

Notes to the Consolidated Financial Statements

Valuation of deferred tax assets:

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13.2.

Regulatory deferral account:

The Group determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations based on the principles laid down under the Tariff Regulations on the basis of Tariff Orders issued. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by regulators under the Tariff Regulations is made after the completion of such review.

Provisions

The policy for the provisions has been explained under Note 2.18. Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

2.6 Non-current assets held for sale

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.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.7 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Group and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

2.7.1 Sale of Power

Revenue from Generation, Transmission and Distribution of power is recognised on an accrual basis and includes unbilled revenues accrued upto the end of the accounting year.

The Group determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations based on the principles laid down under the relevant Tariff Regulations/Tariff Orders as notified by respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by respective State Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders is made after the completion of such review.

2.7.2 Delayed payment charges

Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence when recovered.

2.7.3 Sale of Goods

Revenue from the 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;

Notes to the Consolidated Financial Statements

- 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.

2.7.4 Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

The Group's policy for recognition of revenue from construction contracts is described in Note 2.7.6 below.

2.7.5 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.

2.7.6 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) all critical approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches a reasonable level of development i.e. the expenditure incurred on construction and development costs is at least 10% of the construction and development costs or ₹ 5 crore spend whichever is higher.

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. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

2.8 Leasing arrangement

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

Notes to the Consolidated Financial Statements

2.8.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of 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 Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.8.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see Note 2.10 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.9 Foreign Currencies

The functional currency of the Company and its Indian Subsidiaries is Indian rupee (₹). The functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities 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 translated.

Assets and liabilities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.10 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.

Notes to the Consolidated Financial Statements

2.11 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 profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other operating 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 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.

2.12 Employee Benefits

2.12.1 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.

2.12.2 Defined benefits plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

2.12.3 Short-term and other long-term 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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

2.13 Income Taxes

Current and deferred tax for the year

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

2.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group, in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdiction where the entities are located.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

2.13.2 Deferred tax

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 the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 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.

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price 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's accounting policy. Depreciation commences when the assets are ready for their intended use.

Freehold land and Assets held for sale are not depreciated.

Regulatory 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.

Notes to the Consolidated Financial Statements

Non-Regulatory Assets:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their 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 Regulatory and Non Regulatory assets are as follows:

Type of asset	Useful lives
Hydraulic Works	35 years
Buildings-Plant	25 to 40 years
Buildings-Others	25 to 50 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	5 to 35 years
Plant and Equipments	3 to 40 years
Transmission Lines, Cable Network, etc.	4 to 35 years
Furniture and Fixtures	5 to 15 years
Office Equipments	5 to 15 years
Motor Vehicles, Launches, Barges, etc.	4 to 10 years
Ships	20 years
Helicopters	35 years

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 sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

The cost and related accumulated depreciation of an item of property, plant and equipment disposed of or retired are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains and losses are recognised in the consolidated statement of profit or loss.

2.15 Intangible assets

2.15.1 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

2.15.2 Other Intangible assets acquired separately

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.15.3 Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Notes to the Consolidated Financial Statements

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.15.4 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 profit or loss when the asset is derecognised.

2.15.5 Useful lives of intangible assets.

Estimated useful lives of the intangible assets are as follows:

Type of asset	Useful lives
Technical Know-How and Prototypes	5 years
Licences	5 years
Computer Software	4 to 5 years
Customer contracts acquired under business combination	12 to 25 years

2.16 Impairment

2.16.1 Tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Notes to the Consolidated Financial Statements

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

2.16.2 Goodwill

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is indication for impairment. If the recoverable amount of a 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 on the basis of the carrying amount of each asset in the unit.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

2.18 Provisions

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

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

2.19.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. 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.

2.19.2 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.

2.20 Financial Instruments

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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.21 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

2.21.1 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.

2.21.2 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 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 profit or loss on disposal of the investments.

2.21.3 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 profit or loss.

2.21.4 Impairment of financial assets (other than at fair value)

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 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.

2.22 Financial liabilities and equity instruments

2.22.1 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.

2.22.2 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.

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

2.22.3 Financial liabilities

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

2.23 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.

Notes to the Consolidated Financial Statements

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

2.24 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.25 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.26 Earnings per equity share

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 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 consolidated financial statements by the Board of Directors.

2.27 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Group from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest.

Notes to the Consolidated Financial Statements

Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact on the consolidated financial statements.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are 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 are:

Estimation of current and deferred tax expense - Note 12 and 33

Estimation for impairment of property, plant and equipment - Note 34 (ii)(b)

Estimated fair value of unquoted securities and impairment of investments - Note 34 (iii)

Estimation for impairment of goodwill - Note 5 (a)

Estimation of defined benefit obligation - Note 38

Estimation of provision for warranty claims - Note 23

Estimation of the values of contingent liabilities - Note 36

Regulatory deferral accounts - Note 18

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. Property, Plant and Equipment

₹ 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	Total
Cost (Includes Deemed 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	47,174.73
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	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	(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	5,654.57
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(0.05)	Nil	Nil	(38.83)	Nil	(38.88)
Reclassified as held for sale	(49.83)	Nil	(6.81)	Nil	Nil	(0.57)	(58.24)	(2.94)	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**	**55,779.63**
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	11,073.89
Depreciation Expense	Nil	12.66	55.44	25.43	5.60	2.91	1,529.81	164.71	10.57	9.80	7.19	58.48	3.15	1,885.75
Eliminated on disposal of assets	Nil	Nil	(2.80)	(0.80)	Nil	(0.01)	(90.81)	(3.96)	(1.63)	(37.63)	(3.61)	Nil	Nil	(141.25)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(0.02)	Nil	Nil	(7.32)	Nil	(7.34)
Reclassified as held for sale	Nil	Nil	(1.92)	Nil	Nil	(0.21)	(40.85)	(1.06)	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**	**12,767.01**
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**	**43,012.62**
As at 31st March, 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**	**36,100.84**

Notes to the Consolidated Financial Statements

4. 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	Total
Cost (Includes Deemed Cost)														
Balance as at 1st April, 2015	911.90	534.30	1,745.96	680.56	106.10	91.88	35,451.62	4,389.99	125.23	127.18	76.40	1,194.53	37.00	45,472.65
Additions	7.31	0.67	124.83	61.53	Nil	1.82	1,304.04	417.89	9.03	12.10	10.61	11.78	0.01	1,961.62
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.03	Nil	Nil	71.65	Nil	71.68
Disposals	Nil	Nil	(23.05)	Nil	Nil	Nil	(271.68)	(5.11)	(0.83)	(1.51)	(14.19)	(14.85)	Nil	(331.22)
Balance as at 31st March, 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	47,174.73
Accumulated depreciation and impairment														
Balance as at 1st April, 2015	21.64	240.67	432.55	131.83	33.60	64.05	9,338.27	1,498.45	58.60	81.15	38.64	200.48	20.82	12,160.75
Depreciation Expense	Nil	17.17	51.06	22.30	5.59	3.36	1,254.25	148.89	10.79	12.97	8.86	56.71	3.14	1,595.09
Reversals of Impairment losses recognised in the statement of profit or loss	(21.64)	Nil	(57.53)	(21.65)	Nil	(4.38)	(2,304.91)	(0.06)	(0.60)	(0.64)	(2.66)	Nil	Nil	(2,414.07)
Exchange Movement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.01	Nil	Nil	12.55	Nil	12.56
Eliminated on disposal of assets	Nil	Nil	(19.05)	Nil	Nil	Nil	(232.53)	(4.17)	(0.28)	(1.26)	(8.30)	(14.85)	Nil	(280.44)
Balance as at 31st March, 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	11,073.89
Net carrying amount														
As at 31st March, 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**	**36,100.84**
As at 1st April, 2015	**890.26**	**293.63**	**1,313.41**	**548.73**	**72.50**	**27.83**	**26,113.35**	**2,891.54**	**66.63**	**46.03**	**37.76**	**994.05**	**16.18**	**33,311.90**

Notes:

@ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.

The group has elected to fair value its certain freehold land, plant & equipment and building - others and use that fair value in its Opening Ind AS balance sheet (as at 1st April, 2015) as deemed cost. Accordingly, these are carried at a fair value of ₹ 498.31 crore carrying amount reported under previous GAAP was ₹ 358.28 crore. Difference between the fair value and carrying amount reported under previous GAAP of ₹ 140.03 crore has been credited to retained earnings as at 1st April, 2015 (transition date).

* Denotes figures below ₹ 50,000/-.

Notes to the Consolidated Financial Statements

5 a. Goodwill

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Deemed Cost			
Balance at beginning of year	5.54	5.54	5.54
Additional amounts recognised from business combinations occurring during the year (Refer Note 45)	1,726.94	Nil	Nil
Balance at end of year	**1,732.48**	**5.54**	**5.54**

The Group tests goodwill annually for impairment. Acquired Subsidiaries to which goodwill relate have been identified as Cash Generating Units. The entire goodwill pertains to power business, which is a reportable segment. The goodwill of the Group includes ₹ 1,713.84 crore as of 31st March, 2017 on account of the investment in Welspun Renewable Energy Private Ltd. (WREPL). The Group estimated the value in use in WREPL which uses cash flow projections based on financial budgets covering the contracted power sale agreements with Procurer ranging from 15 to 20 years and discount rate of 9.18% per annum as at 31st March, 2017 assuming successive refinancing with low cost debt.

Cash flow projections used during the project period are based on the expected earnings and generation level throughout the projects period. 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.

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

Continuity of PPA Most of the projects have an aligned and secured power purchase agreement (PPA) in the range of 15 to 25 years, which would be majority of estimated life of respective plant. The PPAs guarantee steady cash flow to the Company through fixed tariff over the useful life of assets.

O&M cost inflation O&M cost for the project period has been extrapolated by using a steady 5% per annum growth rate which is as per the generally approved rate as per the Central Electricity Regulatory Commission (CERC) regulation of power business.

Refinance of the Term Loan Discount rate has been calculated based on revised cost of the debt assuming successive refinancing old debt with low cost debt.

5 b. Other Intangible Assets

₹ crore

	Copyrights, patents, other intellectual property rights, services and operating rights #	Right To Use Assets $	Customer Contracts acquired under business combination	Computer software $	Total
Cost					
Balance as at 1st April, 2016	93.26	163.51	1.07	229.17	487.01
Additions	35.34	Nil	Nil	81.52	116.86
Acquisitions through business combinations	Nil	Nil	1,385.50	Nil	1,385.50
Disposal	(13.68)	Nil	Nil	(5.81)	(19.49)
Balance as at 31st March, 2017	**114.92**	**163.51**	**1,386.57**	**304.88**	**1,969.88**
Accumulated amortisation and impairment					
Balance as at 1st April, 2016	50.54	29.46	0.85	98.82	179.67
Amortisation expense	15.90	6.54	37.06	43.34	102.84
Eliminated on Disposal of assets	(13.52)	Nil	Nil	(4.91)	(18.43)
Balance as at 31st March, 2017	**52.92**	**36.00**	**37.91**	**137.25**	**264.08**
Net carrying amount					
As at 31st March, 2017	**62.00**	**127.51**	**1,348.66**	**167.63**	**1,705.80**
As at 31st March, 2016	**42.72**	**134.05**	**0.22**	**130.35**	**307.34**

Notes to the Consolidated Financial Statements

5 b. Other Intangible Assets *(Contd.)*

₹ crore

	Copyrights, patents, other intellectual property rights, services and operating rights #	Right To Use Assets $	Customer Contracts acquired under business combination	Computer software $	Total
Cost					
Balance as at 1st April, 2015	*79.51*	*163.51*	*1.06*	*194.37*	*438.45*
Additions	*13.75*	*Nil*	*0.01*	*34.80*	*48.56*
Balance as at 31st March, 2016	***93.26***	***163.51***	***1.07***	***229.17***	***487.01***
Accumulated amortisation and impairment					
Balance as at 1st April, 2015	*38.52*	*44.36*	*0.75*	*63.84*	*147.47*
Amortisation expense	*12.02*	*6.54*	*0.10*	*34.98*	*53.64*
Reversals of Impairment losses recognised in the statement of profit or loss	*Nil*	*(21.44)*	*Nil*	*Nil*	*(21.44)*
Balance as at 31st March, 2016	***50.54***	***29.46***	***0.85***	***98.82***	***179.67***
Net carrying amount					
As at 31st March, 2016	***42.72***	***134.05***	***0.22***	***130.35***	***307.34***
As at 1st April, 2015	***40.99***	***119.15***	***0.31***	***130.53***	***290.98***

Notes:

Internally generated intangible assets.

$ Other than internally generated intangible assets.

Depreciation/Amortisation:

	For the year ended 31st March, 2017 ₹ **crore**	***For the year ended 31st March, 2016*** ₹ ***crore***
Depreciation on Tangible Assets	1,885.75	*1,595.09*
Add: Amortisation on Intangible Assets	102.84	*53.64*
Total	**1,988.59**	***1,648.73***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method

	As at 31st March, 2017 Quantity	As at 31st March, 2016 Quantity	As at 1st April, 2015 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
I Investment in Associates							
(a) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
Tata Communications Ltd.	1,34,22,037	1,34,22,037	1,34,22,037	10	105.99	13.36	50.40
(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	5,55,000	5,55,000	10	Nil	0.56**	0.56**
The Associated Building Co. Ltd.	1,825	1,825	1,825	900	0.17	0.17	0.17
Rujuvalika Investments Ltd.	Nil	Nil	3,66,667	10	Nil	Nil	0.60
Panatone Finvest Ltd.	59,08,82,000	59,08,82,000	59,08,82,000	10	275.33	25.25	67.48
Nelito Systems Ltd. $	Nil	10,20,000	10,20,000	10	Nil	21.46	20.71
Yashmun Engineers Ltd.	19,200	19,200	19,200	100	5.31	4.79	1.64
Dagachhu Hydro Power Corporation Ltd.	10,74,320	10,74,320	10,74,320	Nu 1,000	109.53	99.98	106.43
Tata Projects Ltd.	9,67,500	9,67,500	9,67,500	100	493.76	434.69	399.96
					884.11	586.91	597.56
** *Less:* Impairment in the value of Investments					Nil	0.56	0.56
					884.11	586.35	597.00
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	4,062.03**	4,023.61**	3,832.30**
PT Mitratama Perkasa $	Nil	3,600	3,600	IDR 10,00,000	Nil	490.61	494.29
Indocoal Resources (Cayman) Ltd.	300	300	300	USD 1	3,234.67	3,303.51	3,102.04
PT Indocoal Kaltim Resources	82,380	82,380	82,380	IDR 10,000	0.24	0.01	0.01
PT Nusa Tambang Pratama	18,000	18,000	18,000	IDR 10,000	766.48	675.61	587.78
Candice Investments Pte. Ltd.	3	3	3	SGD 1	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	225.27	203.58	170.16
PT Kalimantan Prima Power	7,500	7,500	7,500	USD 100	190.02	170.91	105.75
PT Baramulti Sukessarana Tbk.	68,02,90,000	68,02,90,000	68,02,90,000	IDR 100	1,039.71**	1,053.97**	979.16
Indocoal KPC Resources (Cayman) Ltd.	300	300	300	USD 1	0.18	0.19	0.03
Adjaristsqali Netherlands BV	16,459	15,671	15,523	Euro 1	341.03	351.32	323.71
Khoromkheti Netherlands BV #	500	500	500	Euro 1	Nil	Nil	Nil
Cennergi Pty. Ltd.	86	85	70	ZAR	178.49	245.98	11.45
Itezhi Tezhi Power Corporation Ltd	4,52,500	4,52,500	Nil	ZMW 1	413.24	307.40	Nil
OTP Geothermal Pte. Ltd. !	Nil	4,48,07,876	3,98,57,876	USD 1	Nil	257.05**	212.52
Resurgent Power Ventures Pte Ltd	14,736	Nil	Nil	USD 1	0.51	Nil	Nil
LTH Milcom Private Ltd	66,660	Nil	Nil	10	0.07	Nil	Nil
Powerlinks Transmission Ltd.	23,86,80,000	23,86,80,000	23,86,80,000	10	424.41	373.35	367.01
Industrial Energy Ltd	49,28,40,000	49,28,40,000	46,53,12,000	10	588.24	623.81	605.15
Dugar Hydro Power Ltd.	4,32,50,002	4,32,50,002	3,80,00,002	10	23.68	42.13	37.16
Tubed Coal Mines Ltd#.	1,81,97,800	1,81,17,800	1,78,36,000	10	Nil	Nil	9.11
Mandakini Coal Company Ltd#	3,93,00,000	3,93,00,000	3,93,00,000	10	Nil	Nil	15.87
					11,495.72	12,126.28	10,853.50
** *Less:* Impairment in the value of Investments					2,905.73	3,037.59	381.67
					8,589.99	9,088.69	10,471.83
Total					**9,580.09**	**9,688.40**	**11,119.23**

Notes:

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1. Aggregate Market Value of Quoted Investments	969.14	506.82	566.41
2. Aggregate Carrying Value of Quoted Investments	105.99	13.36	50.40
3. Aggregate Carrying value of Unquoted Investments (Net of Impairment)	9,474.10	9,675.04	11,068.83

* Denotes figure below ₹ 50,000
! Sold during the year
$ Classified as held for sale during the year and partially sold during the year
\# 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:

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, 2017	*As at 31st March, 2016*	*As at 1st April, 2015*
Tata Communications Limited^	Telecommunications	India	4.71%	*4.71%*	*4.71%*
Panatone Finvest Limited	Investments, NBFC	India	39.98%	*39.98%*	*39.98%*
Tata Projects Limited	EPC Contracts	India	47.78%	*47.78%*	*47.78%*
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.

Summarised Financial Information of Material Associates:

A Tata Communications Limited

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	15,916.50	*18,546.35*	*16,217.47*
Current Assets	5,185.79	*6,627.26*	*7,971.88*
Non-current Liabilities	(11,099.85)	*(14,844.62)*	*(10,384.13)*
Current Liabilities	(8,392.17)	*(10,685.45)*	*(13,375.24)*
	1,610.27	***(356.46)***	***429.98***

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	17,619.73	*18,148.58*
Profit or Loss from Continuing Operations	(761.40)	*229.37*
Post Tax Profit/(Loss) from Discontinuing Operations	1,996.86	*(218.91)*
Profit for the year	1,235.46	*10.46*
Other Comprehensive Income/(Expense) for the year	864.64	*(608.82)*
Total Comprehensive Income/(Expense) for the year	2,100.10	*(598.36)*
Dividends received from Tata Communications Limited during the year	5.77	*7.38*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(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 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Tata Communications Limited	1,610.27	*(356.46)*	*429.98*
Proportion of the Group's ownership interest in Tata Communication Limited	4.71%	*4.71%*	*4.71%*
	75.84	*(16.79)*	*20.25*
Goodwill	30.15	*30.15*	*30.15*
Carrying amount of the Group's interest in Tata Communication Limited	**105.99**	***13.36***	***50.40***

B Panatone Finvest Limited

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	663.65	*75.09*	*322.18*
Current Assets	21.30	*4.41*	*43.08*
Non-current Liabilities	Nil	*Nil*	*Nil*
Current Liabilities	(0.05)	*(20.13)*	*(200.25)*
	684.90	***59.37***	***165.01***

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	0.71	*2.71*
Profit for the year	365.27	*82.04*
Other Comprehensive Income/(Expense) for the year	260.27	*(187.67)*
Total Comprehensive Income/(Expense) for the year	625.54	*(105.63)*
Dividends received from Panatone Finvest Limited during the year	Nil	*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 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Panatone Finvest Limited	684.90	*59.37*	*165.01*
Proportion of the Group's ownership interest in Panatone Finvest Limited	39.98%	*39.98%*	*39.98%*
	273.82	*23.74*	*65.97*
Goodwill	1.51	*1.51*	*1.51*
Carrying amount of the Group's interest in Panatone Finvest Limited	**275.33**	***25.25***	***67.48***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

C Tata Projects Limited

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	612.33	*491.74*	*386.42*
Current Assets	6,195.33	*4,847.23*	*4,418.86*
Non-current Liabilities	(57.72)	*(26.21)*	*(22.72)*
Current Liabilities	(5,753.71)	*(4,435.45)*	*(3,959.32)*
	996.23	***877.31***	***823.24***

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	6,057.56	*4,408.12*
Profit for the year	135.47	*63.63*
Other Comprehensive Income/(Expense) for the year	(4.31)	*0.12*
Total Comprehensive Income for the year	131.16	*63.75*
Dividends received from Tata Projects Limited during the year	4.84	*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 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Tata Projects Limited	996.23	*877.31*	*823.24*
Proportion of the Group's ownership interest in Tata Projects Limited	47.78%	*47.78%*	*47.78%*
	476.00	*419.18*	*393.34*
Goodwill	23.30	*23.30*	*23.30*
Elimination of Unrealised Profits	(5.54)	*(7.79)*	*(16.68)*
Carrying amount of the Group's interest in Tata Projects Limited	**493.76**	***434.69***	***399.96***

D Dagachhu Hydro Power Corporation Ltd.

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	1,214.02	*1,262.15*	*1,310.34*
Current Assets	45.99	*54.28*	*98.35*
Non-current Liabilities	(788.34)	*(890.46)*	*(916.04)*
Current Liabilities	(50.40)	*(41.43)*	*(83.30)*
	421.27	***384.54***	***409.35***

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	120.80	*99.83*
Profit for the year	50.57	*(24.81)*
Other Comprehensive Income/(Expense) for the year	(0.23)	*Nil*
Total Comprehensive Income/(Expense) for the year	50.34	*(24.81)*
Dividends received from Dagachhu Hydro Power Corporation Ltd. during the year	1.77	*Nil*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Dagachhu Hydro Power Corporation Ltd.	421.27	*384.54*	*409.35*
Proportion of the Group's ownership interest in Dagachhu Hydro Power Corporation Ltd.	26.00%	*26.00%*	*26.00%*
	109.53	*99.98*	*106.43*
Carrying amount of the Group's interest in Dagachhu Hydro Power Corporation Ltd.	**109.53**	***99.98***	***106.43***

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, 2017	*As at 31st March, 2016*	*As at 1st April, 2015*
Nelito Systems Ltd. $	Indian IT Solution and Services	India	28.15%	*49.89%*	*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	*32.90%*	*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%*
Rujuvalika Investments Ltd. (upto 30th April, 2015)	Investments, NBFC	India	Nil	*Nil*	*27.59%*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
The Group's share of Profit/(Loss) from Continuing Operations	(0.08)	*4.26*
The Group's share of Other Comprehensive Income/(Expense)	Nil	*Nil*
The Group's share of Total Comprehensive Income/(Expense)	(0.08)	*4.26*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Aggregate carrying amount of the Group's interests in these Associates	5.49	*26.99*	*23.69*

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
# Unrecognised share of losses of an Associate	Nil	*0.15*

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
# Cumulative share of loss of an Associate	Nil	*0.43*	*0.28*

III Details and Financial Information of 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, 2017	*As at 31st March, 2016*	*As at 1st April, 2015*
PT Kaltim Prima Coal	Coal mining and exploration	Indonesia	30.00%	*30.00%*	*30.00%*
Indocoal Resources (Cayman) Ltd.	Coal Trading	Cayman Island	30.00%	*30.00%*	*30.00%*
PT Nusa Tambang Pratama	Infrastructure Support for Coal Business	Indonesia	30.00%	*30.00%*	*30.00%*
PT Baramulti Suksessarana TBK	Coal mining and trading	Indonesia	26.00%	*26.00%*	*26.00%*
Itezhi Tezhi Power Corporation	Hydro power generation	Zambia	50.00%	*50.00%*	*Nil*
Powerlinks Transmission Limited	Power transmission	India	51.00%	*51.00%*	*51.00%*
Industrial Energy Limited	Power generation and operation of power plant	India	74.00%	*74.00%*	*74.00%*

A PT Kaltim Prima Coal

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	3,563.10	*4,901.68*	*5,552.08*
Current Assets	4,381.68	*10,187.97*	*9,740.17*
Non-current Liabilities	(2,168.47)	*(2,654.64)*	*(3,091.41)*
Current Liabilities	(4,005.21)	*(11,081.91)*	*(10,716.34)*
	1,771.10	***1,353.10***	***1,484.50***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	459.65	*112.57*	*176.74*
Current Financial Liabilities (excluding trade payables and provisions)	(2,270.68)	*(2,020.81)*	*(1,868.90)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(224.02)	*(509.36)*	*(847.92)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

A PT Kaltim Prima Coal *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	21,734.86	*19,324.18*
Profit for the year	1,548.67	*36.83*
Other Comprehensive Income/*(Expense)* for the year	(46.67)	*57.19*
Total Comprehensive Income for the year	1,502.00	*94.02*
Dividends received from PT Kaltim Prima Coal during the year	314.87	*90.77*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	48.44	*53.42*
Interest Income	15.79	*15.97*
Interest Expense	62.76	*116.02*
Income-tax Expense	1,490.61	*296.14*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of PT Kaltim Prima Coal	1,771.10	*1,353.10*	*1,484.50*
Proportion of the Group's ownership interest in PT Kaltim Prima Coal	30.00%	*30.00%*	*30.00%*
	531.33	*405.93*	*445.35*
Goodwill	3,530.70	*3,617.68*	*3,386.95*
Carrying amount of the Group's interest in PT Kaltim Prima Coal	**4,062.03**	***4,023.61***	***3,832.30***
Impairment of Goodwill	(2,665.78)	*(2,723.23)*	*(381.67)*
Carrying amount of the Group's interest in PT Kaltim Prima Coal (net of impairment)	**1,396.25**	***1,300.38***	***3,450.63***

B Indocoal Resources (Cayman) Ltd.

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	2,141.32	*2,837.81*	*2,623.32*
Current Assets	1,179.03	*386.17*	*247.34*
Non-current Liabilities	Nil	*Nil*	*Nil*
Current Liabilities	(1,184.44)	*(1,065.40)*	*(843.26)*
	2,135.91	***2,158.58***	***2,027.40***
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.)*

B Indocoal Resources (Cayman) Ltd. *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	21.32	*609.10*
Profit for the year	23.66	*9.42*
Other Comprehensive Income/(Expense) for the year	Nil	*Nil*
Total Comprehensive Income for the year	23.66	*9.42*
Dividends received from Indocoal Resources (Cayman) Ltd. during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	21.30	*18.37*
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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Indocoal Resources (Cayman) Ltd.	2,135.91	*2,158.58*	*2,027.40*
Proportion of the Group's ownership interest in Indocoal Resources (Cayman) Ltd.	30.00%	*30.00%*	*30.00%*
	640.77	*647.57*	*608.22*
Goodwill	2,593.90	*2,655.94*	*2,493.82*
Carrying amount of the Group's interest in Indocoal Resources (Cayman) Ltd.	**3,234.67**	***3,303.51***	***3,102.04***

C PT Nusa Tambang Pratama

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	2,214.90	*2,418.84*	*2,314.71*
Current Assets	1,430.68	*909.43*	*518.90*
Non-current Liabilities	(73.94)	*(53.08)*	*(36.62)*
Current Liabilities	(1,016.30)	*(1,022.64)*	*(837.72)*
	2,555.34	***2,252.55***	***1,959.27***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	216.25	*38.55*	*29.07*
Current Financial Liabilities (excluding trade payables and provisions)	(591.85)	*(604.60)*	*(570.38)*
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.)*

C PT Nusa Tambang Pratama *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	867.62	*496.37*
Profit for the year	441.60	*254.97*
Other Comprehensive Income/(Expense) for the year	(0.01)	*Nil*
Total Comprehensive Income for the year	441.59	*254.97*
Dividends received from PT Nusa Tambang Pratama during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	5.73	*1.20*
Interest Expense	87.09	*37.52*
Income-tax Expense	159.48	*85.24*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of PT Nusa Tambang Pratama	2,555.34	*2,252.55*	*1,959.27*
Proportion of the Group's ownership interest in PT Nusa Tambang Pratama	30.00%	*30.00%*	*30.00%*
	766.48	*675.61*	*587.78*
Goodwill	Nil	*Nil*	*Nil*
Carrying amount of the Group's interest in PT Nusa Tambang Pratama	**766.48**	***675.61***	***587.78***

D PT Baramulti Suksessarana TBK

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	830.85	*836.26*	*798.56*
Current Assets	527.29	*273.91*	*218.57*
Non-current Liabilities	(40.04)	*(81.66)*	*(113.42)*
Current Liabilities	(603.88)	*(336.98)*	*(291.82)*
	714.22	***691.53***	***611.89***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	293.30	*107.94*	*42.91*
Current Financial Liabilities (excluding trade payables and provisions)	(331.13)	*(147.49)*	*(90.80)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(6.29)	*(51.18)*	*(87.55)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

D PT Baramulti Suksessarana TBK *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	1,887.48	*1,604.06*
Profit for the year	273.05	*149.22*
Other Comprehensive Income for the year	0.32	*1.22*
Total Comprehensive Income for the year	273.37	*150.44*
Dividends received from PT Baramulti Suksessarana TBK during the year	61.05	*28.08*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	66.19	*57.41*
Interest Income	1.15	*1.65*
Interest Expense	7.33	*9.84*
Income-tax Expense	87.27	*56.81*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of PT Baramulti Suksessarana TBK	714.22	*691.53*	*611.89*
Proportion of the Group's ownership interest in PT Baramulti Suksessarana TBK	26.00%	*26.00%*	*26.00%*
	185.70	*179.80*	*159.09*
Goodwill	854.01	*874.17*	*820.07*
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK	**1,039.71**	***1,053.97***	***979.16***
Impairment of Goodwill	(239.95)	*(245.12)*	*Nil*
Carrying amount of the Group's interest in PT Baramulti Suksessarana TBK (net of impairment)	**799.76**	***808.85***	***979.16***

E Itezhi Tezhi Power Corporation

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	1,156.27	*1,074.09*	*Nil*
Current Assets	584.59	*277.34*	*Nil*
Non-current Liabilities	(1,093.07)	*(879.90)*	*Nil*
Current Liabilities	(197.17)	*(202.54)*	*Nil*
	450.62	***268.99***	***Nil***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	156.35	*195.09*	*Nil*
Current Financial Liabilities (excluding trade payables and provisions)	(101.70)	*(90.19)*	*Nil*
Non-current Financial Liabilities (excluding trade payables and provisions)	(907.21)	*(879.90)*	*Nil*

6 a. Investments accounted for using the Equity Method *(Contd.)*

E Itezhi Tezhi Power Corporation *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	530.44	*Nil*
Profit for the year	219.67	*63.26*
Other Comprehensive Income/(Expense) for the year	Nil	*Nil*
Total Comprehensive Income for the year	219.67	*63.26*
Dividends received from Itezhi Tezhi Power Corporation during the year	Nil	*Nil*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	11.83	*Nil*
Interest Income	0.01	*Nil*
Interest Expense	35.95	*Nil*
Income-tax Expense	157.67	*Nil*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Itezhi Tezhi Power Corporation	450.62	*268.99*	*Nil*
Proportion of the Group's ownership interest in Itezhi Tezhi Power Corporation	50.00%	*50.00%*	*Nil*
	225.31	*134.50*	*Nil*
Goodwill	187.93	*172.90*	*Nil*
Carrying amount of the Group's interest in Itezhi Tezhi Power Corporation	**413.24**	***307.40***	***Nil***

F Powerlinks Transmission Limited

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	914.53	*983.93*	*1,059.49*
Current Assets	265.73	*219.86*	*222.98*
Non-current Liabilities	(188.90)	*(317.32)*	*(424.97)*
Current Liabilities	(157.29)	*(152.56)*	*(135.51)*
	834.07	***733.91***	***721.99***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	0.08	*0.29*	*2.61*
Current Financial Liabilities (excluding trade payables and provisions)	(114.70)	*(121.32)*	*(104.89)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(156.64)	*(176.77)*	*(267.32)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

F Powerlinks Transmission Limited *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	150.66	*164.09*
Profit for the year	195.78	*121.77*
Other Comprehensive Income/(Expense) for the year	0.14	*(0.01)*
Total Comprehensive Income for the year	195.92	*121.76*
Dividends received from Powerlinks Transmission Limited during the year	40.58	*46.54*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	5.88	*7.06*
Interest Expense	20.96	*30.77*
Income-tax Expense	(68.96)	*7.96*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Powerlinks Transmission Limited	834.07	*733.91*	*721.99*
Proportion of the Group's ownership interest in Powerlinks Transmission Limited	51.00%	*51.00%*	*51.00%*
	425.38	*374.29*	*368.21*
Goodwill	Nil	*Nil*	*Nil*
Deferred Tax Liabilities on Undistributable Profit	(0.97)	*(0.94)*	*(1.20)*
Carrying amount of the Group's interest in Powerlinks Transmission Limited	**424.41**	***373.35***	***367.01***

G Industrial Energy Limited

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Assets	1,587.00	*1,668.80*	*1,721.53*
Current Assets	288.31	*421.99*	*343.93*
Non-current Liabilities	(802.81)	*(890.84)*	*(850.24)*
Current Liabilities	(270.80)	*(340.03)*	*(371.61)*
	801.70	***859.92***	***843.61***
The above amounts of assets and liabilities include the following:			
Cash and Cash Equivalents	9.82	*2.72*	*3.22*
Current Financial Liabilities (excluding trade payables and provisions)	(227.16)	*(303.77)*	*(363.84)*
Non-current Financial Liabilities (excluding trade payables and provisions)	(643.55)	*(787.44)*	*(756.34)*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

G Industrial Energy Limited *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Revenue	527.95	*448.01*
Profit for the year	62.28	*54.79*
Other Comprehensive Income/(Expense) for the year	(0.25)	*Nil*
Total Comprehensive Income for the year	62.03	*54.79*
Dividends received from Industrial Energy Limited during the year	73.93	*46.53*
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	Nil	*Nil*
Interest Income	Nil	*Nil*
Interest Expense	89.21	*73.92*
Income-tax Expense	85.82	*32.50*

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, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Net Assets of Industrial Energy Limited	801.70	*859.92*	*843.61*
Proportion of the Group's ownership interest in Industrial Energy Limited	74.00%	*74.00%*	*74.00%*
	593.26	*636.34*	*624.27*
Goodwill	Nil	*Nil*	*Nil*
Deferred Tax Liabilities on Undistributable Profit	(5.02)	*(12.53)*	*(19.12)*
Carrying amount of the Group's interest in Industrial Energy Limited	**588.24**	***623.81***	***605.15***

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, 2017	*As at 31st March, 2016*	*As at 1st April, 2015*
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	*50.00%*	*50.00%*
Resurgent Power Ventures Pte Ltd	Investments and Services	Singapore	26.00%	*Nil*	*Nil*
LTH Milcom Private Limited	Investments and Services	India	26.00%	*Nil*	*Nil*
Dugar Hydro Power Ltd.	Hydro power generation	India	50.001%	*50.001%*	*50.001%*
Tubed Coal Mines Ltd.	Coal mining and trading	India	40.00%	*40.00%*	*40.00%*
Mandakini Coal Company Limited	Coal mining and trading	India	33.33%	*33.33%*	*33.33%*

^ Classified as held for sale in the current year.

$ Sold during the year.

Aggregate Summarised Financial Information of Joint Ventures that are not individually material

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
The Group's share of profit/(loss) from continuing operations	4.33	*(138.95)*
The Group's share of Other Comprehensive Income/(Expense)	Nil	*Nil*
The Group's share of Total Comprehensive Income/(Expense)	**4.33**	***(138.95)***

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Aggregate carrying amount of the Group's interest in these Joint Ventures	966.94	*1,765.02*	*1,380.06*
Impairment of Goodwill/Investments	Nil	*(69.24)*	*Nil*
Carrying amount of the Group's interest in these Joint Ventures	**966.94**	***1,695.78***	***1,380.06***

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
The unrecognised share of profit of Joint Ventures for the year	*	*Nil*	*Nil*

Notes to the Consolidated Financial Statements

6 a. Investments accounted for using the Equity Method *(Contd.)*

V Change in the Group's Ownership interest in a Joint Venture

In the prior year, the Group held a 50% interest in OTP Geothermal Pte. Ltd. and accounted for the investments as a Joint Venture. In March 2017, the Group disposed of full interest in OTP Geothermal Pte. Ltd. to third party for proceeds of ₹ 184.72 crore. This transaction has resulted in the recognition of loss in profit and loss calculated as follows:

	For the year ended 31st March, 2017 ₹ crore
Proceeds of disposal	184.72
Less: Carrying amount of investment on the date of loss of Joint Control	199.99
Loss Recognised	**(15.27)**

The Loss recognised in the current year is a realised loss in full and there is no tax benefit to the group in this loss.

6 b. Other Investments

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ 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.	7,500	*7,500*	*7,500*	2	1.08	*0.80*	*0.77*
IDBI Bank Ltd.	1,42,720	*1,42,720*	*1,42,720*	10	1.07	*1.00*	*1.01*
Voltas Ltd.	2,33,420	*2,33,420*	*2,33,420*	1	9.62	*6.49*	*6.53*
Tata Consultancy Services Ltd.	4,85,354	*6,11,804*	*6,33,804*	1	118.03	*154.20*	*161.87*
Tata Teleservices (Maharashtra) Ltd.$	Nil	*13,72,63,174*	*13,72,63,174*	10	Nil	*90.59*	*107.75*
Trent Ltd. !	Nil	*3,87,714*	*3,87,714*	10	Nil	*61.71*	*56.99*
Tata Motors Ltd.	3,57,159	*3,57,159*	*3,38,525*	10	16.63	*13.81*	*18.63*
Tata Motors Ltd. - differential voting rights	51,022	*51,022*	*48,360*	10	1.53	*1.47*	*1.60*
Tata Investment Corporation Ltd.	8,57,143	*8,57,143*	*8,57,143*	2	54.51	*40.48*	*49.10*
					202.47	*370.55*	*404.25*
(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. #	32,83,97,823	*32,83,97,823*	*32,83,97,823*	10	384.88	*509.34*	*766.48*
Tata International Ltd	24,000	*24,000*	*24,000*	1,000	18.77	*18.77*	*18.77*
Tata Services Ltd.	552	*552*	*552*	1,000	Nil	*Nil*	*Nil*
Taj Air Ltd.	79,00,760	*79,00,760*	*79,00,760*	10	Nil	*7.90*	*7.90*
Tata Capital Ltd	23,33,070	*23,33,070*	*23,33,070*	10	7.79	*7.23*	*7.23*
Indian Energy Exchange Ltd. $	Nil	*12,50,000*	*12,50,000*	10	Nil	*98.04*	*70.07*
					778.09	*1,007.93*	*1,237.10*
					980.56	***1,378.48***	***1,641.35***
Carried over …					980.56	*1,378.48*	*1,641.35*

Notes to the Consolidated Financial Statements

6 b. Other Investments *(Contd.)*

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward ...					980.56	*1,378.48*	*1,641.35*
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	1.60	*3.88*	*4.76*
(b) Investment in Equity Shares fully Paid-up (unless otherwise stated) (Unquoted)							
Power Exchange India Ltd	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 Ltd.	6,000	*6,000*	*6,000*	25	0.14	*0.15*	*0.10*
					0.14	*0.15*	*0.10*
(c) Investment in Mututal Funds (Unquoted)							
Tata FMP - Series 44 - Scheme B - Growth	Nil	*Nil*	*11,951,664*	10	Nil	*Nil*	*13.86*
Tata FMP - Series 46 - Scheme A - Growth	Nil	*Nil*	*3,168,325*	10	Nil	*Nil*	*3.55*
Tata FMP - Series 45 - Scheme D - Growth	Nil	*Nil*	*1,301,188*	10	Nil	*Nil*	*1.45*
					Nil	*Nil*	*18.86*
					1.74	***4.03***	***23.72***
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*	*Nil*	100	10.00	*10.00*	*Nil*
6.79% GOI (2029)	10,00,000	*Nil*	*Nil*	100	9.59	*Nil*	*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)	9,00,000	*9,00,000*	*Nil*	100	9.00	*9.00*	*Nil*
6.84% GOI (2022)	66,000	*Nil*	*Nil*	100	0.67	*Nil*	*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)	16,01,300	*16,01,300*	*16,01,300*	100	16.01	*16.01*	*16.01*
7.83% GOI (2018)	10,00,000	*10,00,000*	*10,00,000*	100	10.00	*10.00*	*10.00*
7.99% GOI (2017)	Nil	*8,48,700*	*8,48,700*	100	Nil	*8.49*	*8.49*
7.49% GOI (2017)	Nil	*7,36,000*	*7,36,000*	100	Nil	*7.36*	*7.36*
7.59% GOI (2016)	Nil	*Nil*	*19,000*	100	Nil	*Nil*	*0.19*
					90.75	*96.34*	*77.53*
(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)	2,48,700	*2,48,700*	*2,48,700*	100	2.49	*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	*15,00,000*	*15,00,000*	100	Nil	*15.00*	*15.00*
7.99% GOI (2017)	Nil	*33,49,300*	*33,49,300*	100	Nil	*33.49*	*33.49*
7.49% GOI (2017)	Nil	*25,00,000*	*25,00,000*	100	Nil	*25.00*	*25.00*
					206.09	*279.58*	*279.58*
					296.84	***375.92***	***357.11***
(b) Other Investments							
Others							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*Nil*	*3,000*	100	Nil	*Nil*	*0.03*
					296.84	*375.92*	*357.14*
Total					**1,279.14**	***1,758.43***	***2,022.21***

Notes:

1. Aggregate Market Value of Quoted Investments	204.07	*374.43*	*409.01*
2. Aggregate Carrying Value of Quoted Investments	204.07	*374.43*	*409.01*
3. Aggregate Carrying Value of Unquoted Investments	1,075.07	*1,384.00*	*1,613.20*

! Sold during the year

$ Classified as held for sale during the year

Refer Note 34 (iii)

Notes to the Consolidated Financial Statements

7. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current Trade Receivables			
Considered good	187.92	*190.00*	*190.94*
Considered doubtful	6.24	*6.24*	*6.17*
	194.16	*196.24*	*197.11*
Less: Allowance for Doubtful Trade Receivables	6.24	*6.24*	*6.17*
Total	**187.92**	***190.00***	***190.94***

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Current Trade Receivables			
Considered good	3,832.12	*3,540.24*	*3,347.57*
Considered doubtful	310.58	*264.86*	*178.36*
	4,142.70	*3,805.10*	*3,525.93*
Less: Allowance for Doubtful Trade Receivables	310.58	*264.86*	*178.36*
Total	**3,832.12**	***3,540.24***	***3,347.57***

Note: The Group holds security deposits of ₹ 250.53 crore *(31st March, 2016 - ₹ 246.44 crore, 1st April, 2015 - ₹ 213.23 crore)* in respect of Electricity Receivables.

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 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	**Expected Credit loss (%)**
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	14.10%

Age of receivables

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Within the credit period	1,972.76	*2,144.88*	*2,002.16*
1-90 days past due	807.88	*682.02*	*787.62*
91-182 days past due	731.28	*456.22*	*316.88*
More than 182 days past due	824.94	*718.22*	*616.38*

Movement in the expected credit loss allowance

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
Balance at the beginning of the year	271.10	*184.53*
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	23.18	*17.00*
Add: Specific allowance on trade receivables for the year $	22.54	*69.57*
Balance at the end of the year	**316.82**	***271.10***

$ Certain Trade Receivables have been unable to make payments for outstanding amounts as the amounts are disputed. Consequently the management believes it is prudent to provide for the specific allowance.

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, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Loans to Related Parties - Joint Ventures			
Considered good	69.64	382.63	386.55
Considered doubtful	1.27	1.27	1.27
	70.91	383.90	387.82
Less: Allowances for Doubtful Loans	1.27	1.27	1.27
	69.64	382.63	386.55
Other Loans			
Loans to Employees	7.52	7.74	8.64
Total	**77.16**	**390.37**	**395.19**

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Current			
Considered good			
Loans to Related Parties - Joint Ventures	654.68	410.04	254.41
Loans to Employees	0.76	0.23	0.64
Total	**655.44**	**410.27**	**255.05**

9. Finance Lease Receivable - Unsecured

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Finance Lease Receivable	573.47	617.63	661.09
Total	**573.47**	**617.63**	**661.09**

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Current			
Finance Lease Receivable	39.16	48.80	42.51
Total	**39.16**	**48.80**	**42.51**

Notes to the Consolidated Financial Statements

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 analysis pursuant to 'Appendix C' to Ind AS 17 "Leases" identified an embedded finance lease and accordingly, the said arrangement has been accounted as per Ind AS 17.

9.2 Amount receivable under Finance Lease

	Minimum Lease Payments			**Present value of minimum lease payments**		
	As at 31st March, 2017 ₹ crore	***As at 31st March, 2016 ₹ crore***	***As at 1st April, 2015 ₹ crore***	**As at 31st March, 2017 ₹ crore**	***As at 31st March, 2016 ₹ crore***	***As at 1st April, 2015 ₹ crore***
Not later than one year	107.58	*138.42*	*139.06*	23.37	*48.73*	*43.10*
Later than one year and not later than five years	504.71	*512.42*	*550.35*	133.47	*123.14*	*142.10*
Later than five years	795.49	*900.42*	*994.99*	455.79	*494.56*	*518.40*
	1,407.78	*1,551.26*	*1,684.40*	612.63	*666.43*	*703.60*
Unearned finance income	795.15	*884.83*	*980.80*	Nil	*Nil*	*Nil*
Present value of minimum lease payments receivable	612.63	*666.43*	*703.60*	612.63	*666.43*	*703.60*
Allowance for uncollectible lease payments	Nil	*Nil*	*Nil*	Nil	*Nil*	*Nil*
Total	**612.63**	***666.43***	***703.60***	**612.63**	***666.43***	***703.60***

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 12.76% - 16.34% per annum *(as at 31st March, 2016: 12.76% - 16.34% per annum, as at 1st April, 2015: 12.76% - 16.34% per annum)*.

Notes to the Consolidated Financial Statements

10. Other Financial Assets

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Loans to Related Parties	Nil	Nil	0.21
(ii) Security Deposits			
Unsecured, considered good	60.16	56.07	71.41
Doubtful	32.81	30.31	23.02
	92.97	86.38	94.43
Less: Allowance for Doubtful Deposits	32.81	30.31	23.02
	60.16	56.07	71.41
(iii) Receivables under Service Concession Agreement	203.94	Nil	Nil
(iv) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	460.09	609.75	950.76
Advance towards Equity	9.03	Nil	Nil
Other Advances [Refer Note 34 (iv)]	139.46	1.59	2.87
	608.58	611.34	953.63
Total	**872.68**	**667.41**	**1,025.25**
Current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Inter-corporate/Bank Deposits	2.35	5.07	5.54
Interest Accrued on Investments	5.09	6.20	6.60
Interest Accrued on Finance Lease Receivable	11.73	12.08	12.66
Interest Accrued on Loans to Related Parties	11.98	8.63	4.21
	31.15	31.98	29.01
(ii) Security Deposits			
Unsecured, considered good	22.13	16.05	13.02
Doubtful	2.93	1.37	1.15
	25.06	17.42	14.17
Less: Allowance for Doubtful Deposits	2.93	1.37	1.15
	22.13	16.05	13.02
(iii) Inter-corporate Deposits			
Unsecured, considered good	Nil	44.00	310.65
(iv) Receivables under Service Concession Agreement	4.48	Nil	Nil
(v) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	710.04	196.99	36.43
Dividend Receivable	Nil	8.64	Nil
Derivative Contracts	37.97	92.71	128.21
Receivable on sale of Current Investments	Nil	1.26	12.54
Receivable on sale of Fixed Assets	2.23	0.53	Nil
Insurance Claims Receivable	21.15	36.40	66.78
Other Advances	84.25	82.93	3.09
	855.64	419.46	247.05
Total	**913.40**	**511.49**	**599.73**

Notes to the Consolidated Financial Statements

11. Tax Assets

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current Tax Assets			
Advance Income-tax (Net)	146.35	110.61	151.19
Total	**146.35**	**110.61**	**151.19**
Current Tax Assets			
Advance Income-tax (Net)	31.68	3.00	3.00
Total	**31.68**	**3.00**	**3.00**

12 a. Deferred Tax Assets (Net)

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Deferred Tax Assets	5,133.67	3,760.53	2,711.27
Deferred Tax Liabilities	5,042.14	3,757.33	2,708.70
Total - Net Deferred Tax Assets	**91.53**	**3.20**	**2.57**

₹ crore

2016-17	Opening Balance	Acquired during the year (Refer Note 45)	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	3,665.61	25.91	466.17	Nil	Nil	**4,157.69**
Measuring of Derivative Financial Instruments at Fair Value	27.68	Nil	76.46	Nil	Nil	**104.14**
Carry Forward Losses	Nil	36.13	3.72	Nil	Nil	**39.85**
Investment Properties	2.91	Nil	Nil	Nil	Nil	**2.91**
Investments at Fair Value	Nil	Nil	0.54	Nil	Nil	**0.54**
Borrowings	Nil	Nil	3.47	Nil	Nil	**3.47**
Tax Credit	Nil	Nil	707.54	Nil	Nil	**707.54**
Others	7.00	Nil	3.67	Nil	Nil	**10.67**
	3,760.53	**62.04**	**1,311.10**	**Nil**	**Nil**	**5,133.67**
Deferred tax liabilities in relation to:						
Property, Plant and Equipments	3,729.00	25.22	1,283.32	Nil	Nil	**5,037.54**
Investments at Fair Value	0.50	0.02	(0.46)	Nil	Nil	**0.06**
Measuring of Derivative Financial Instruments at Fair Value	27.83	Nil	(23.29)	Nil	Nil	**4.54**
	3,757.33	**25.24**	**1,259.57**	**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 a. Deferred Tax Assets (Net) *(Contd.)*

₹ crore

2015-16	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	*17.37*	*Nil*	*29.99*	*Nil*	*Nil*	***47.36***
Provision for Employee Benefits, Entry Tax and Others	*7.77*	*Nil*	*2.20*	*Nil*	*Nil*	***9.97***
Measuring of Derivative Financial Instruments at Fair Value	*27.39*	*Nil*	*0.29*	*Nil*	*Nil*	***27.68***
Unabsorbed Depreciation	*2,648.99*	*Nil*	*1,016.62*	*Nil*	*Nil*	***3,665.61***
Investment Properties	*2.72*	*Nil*	*0.19*	*Nil*	*Nil*	***2.91***
Tax Credit	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	***Nil***
Others	*7.03*	*Nil*	*(0.03)*	*Nil*	*Nil*	***7.00***
	2,711.27	***Nil***	***1,049.26***	***Nil***	***Nil***	***3,760.53***
Deferred Tax Liabilities in relation to:						
Property, Plant and Equipments	*2,670.50*	*Nil*	*1,058.50*	*Nil*	*Nil*	***3,729.00***
Investments at Fair Value	*0.58*	*Nil*	*(0.08)*	*Nil*	*Nil*	***0.50***
Measuring of Derivative Financial Instruments at Fair Value	*37.62*	*Nil*	*(9.79)*	*Nil*	*Nil*	***27.83***
	2,708.70	***Nil***	***1,048.63***	***Nil***	***Nil***	***3,757.33***
Net Deferred Tax Assets	***2.57***	***Nil***	***0.63***	***Nil***	***Nil***	***3.20***

12 b. Deferred Tax Liabilities (Net)

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Deferred Tax Assets	**89.59**	***137.12***	***133.95***
Deferred Tax Liabilities	**1,849.42**	***2,233.98***	***2,073.75***
Total - Net Deferred Tax Liabilities	**1,759.83**	***2,096.86***	***1,939.80***

₹ crore

2016-17	Opening Balance	Acquired during the year (Refer Note 45)	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**
Tax Credit	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 b. Deferred Tax Liabilities (Net) *(Contd.)*

₹ crore

2016-17	Opening Balance	Acquired during the year (Refer Note 45)	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	34.83	(641.79)	Nil	Nil	**1,414.27**
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**
Undistributable Profit	16.71	Nil	(11.24)	Nil	Nil	**5.47**
Revaluation on Consolidation	Nil	235.82	(6.35)	Nil	Nil	**229.47**
	2,233.98	**270.65**	**(655.55)**	**(0.12)**	**0.46**	**1,849.42**
Net Deferred Tax Liabilities	**2,096.86**	**270.65**	**(603.66)**	**(4.48)**	**0.46**	**1,759.83**

Notes:

1. During the year ended 31st March, 2017, the Group has reassessed the deferred tax liabilities in respect of its units falling under tax holiday period having regard to (a) favourable order passed by the Dispute Resolution Panel (DRP) pursuant to the Order issued by the Hon'ble Supreme Court in respect of another assessee and (b) the Circular issued by the Central Board of Direct Taxes in this regard and has reversed deferred tax liabilities amounting to ₹ 180.85 crore.
2. During the year ended 31st March, 2017, the Group has created Deferred Tax Asset of ₹ 569.53 crore for Minimum Alternate Tax (MAT) credit and correspondingly ₹ 569.53 crore is passed on to Consumers and reflected as Regulatory Income/(Expense) (Net).

₹ crore

2015-16	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	*40.26*	*Nil*	*0.21*	*Nil*	*Nil*	***40.47***
Provision for Employee Benefits, Entry Tax and Others	*91.81*	*Nil*	*(4.14)*	*2.85*	*Nil*	***90.52***
Property, Plant and Equipments	*0.19*	*Nil*	*(0.19)*	*Nil*	*Nil*	***Nil***
Borrowings	*0.10*	*Nil*	*(0.10)*	*Nil*	*Nil*	***Nil***
Tax Credit	*Nil*	*Nil*	*4.48*	*Nil*	*Nil*	***4.48***
Others	*1.59*	*Nil*	*0.06*	*Nil*	*Nil*	***1.65***
	133.95	***Nil***	***0.32***	***2.85***	***Nil***	***137.12***
Deferred Tax Liabilities in relation to:						
Finance Leases	*147.34*	*Nil*	*(5.13)*	*Nil*	*Nil*	***142.21***
Property, Plant and Equipments	*1,856.78*	*Nil*	*164.45*	*Nil*	*Nil*	***2,021.23***
Investments at Fair Value	*20.88*	*Nil*	*(1.63)*	*4.18*	*Nil*	***23.43***
Distribution on Perpetual Bonds	*24.20*	*Nil*	*Nil*	*Nil*	*Nil*	***24.20***
Borrowings	*7.19*	*Nil*	*(0.99)*	*Nil*	*Nil*	***6.20***
Undistributable Profit	*17.36*	*Nil*	*(0.65)*	*Nil*	*Nil*	***16.71***
	2,073.75	***Nil***	***156.05***	***4.18***	***Nil***	***2,233.98***
Net Deferred Tax Liabilities	***1,939.80***	***Nil***	***155.73***	***1.33***	***Nil***	***2,096.86***

Notes to the Consolidated Financial Statements

12 c. Unrecognised Deferred Tax Assets

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Unabsorbed Depreciation	2,767.11	*1,546.46*	*3,558.67*
Total	**2,767.11**	***1,546.46***	***3,558.67***

Note :

Unrecognised Deferred Tax Assets on unabsorbed depreciation do not have an expiry.

12 d. 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, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Deferred Tax Assets (Net) - (Refer Note 12a.)						
Net (increase)/decrease in Deferred Tax Assets	(51.53)	*(0.63)*	Nil	*Nil*	Nil	*Nil*
Deferred Tax Liabilities (Net) - (Refer Note 12b.)						
Net increase/(decrease) in Deferred Tax Liabilities	(603.66)	*155.73*	(4.48)	*1.33*	0.46	*Nil*
Deferred Tax Expense (Net)	**(655.19)**	***155.10***	**(4.48)**	***1.33***	**0.46**	***Nil***

13. Other Assets

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current			
(i) Capital Advances			
Unsecured, considered good	121.04	*363.07*	*314.52*
Doubtful	0.21	*0.24*	*0.72*
	121.25	*363.31*	*315.24*
Less: Allowances for Doubtful Advances	0.21	*0.24*	*0.72*
	121.04	*363.07*	*314.52*
(ii) Security Deposits			
Unsecured, considered good	228.77	*229.82*	*228.68*
(iii) Balances with Government Authorities			
Unsecured, considered good			
Advances	143.58	*116.15*	*116.12*
Amount paid under protest	217.41	*217.38*	*217.42*
VAT/Sales Tax Receivable	82.72	*112.43*	*139.90*
	443.71	*445.96*	*473.44*
Carried over ...	793.52	*1,038.85*	*1,016.64*

Notes to the Consolidated Financial Statements

13. Other Assets *(Contd.)*

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward ...	793.52	*1,038.85*	*1,016.64*
(iv) Unamortised Premium for Leasehold Land			
Unsecured, considered good	659.78	*662.66*	*677.20*
(v) Deferred Rent Expense			
Unsecured, considered good	9.51	*9.65*	*9.80*
(vi) Others			
Unsecured, considered good			
Prepaid Expenses	11.44	*17.54*	*21.80*
Others	33.30	*25.27*	*11.30*
Doubtful	2.22	*2.15*	*4.29*
	46.96	*44.96*	*37.39*
Less: Allowances for Doubtful Advances	2.22	*2.15*	*4.29*
	44.74	*42.81*	*33.10*
Total	**1,507.55**	***1,753.97***	***1,736.74***
Current			
(i) Balances with Government Authorities			
Unsecured, considered good			
Advances	31.19	*84.62*	*67.25*
VAT/Sales Tax Receivable	34.90	*0.16*	*1.16*
	66.09	*84.78*	*68.41*
(ii) Unamortised Premium for Leasehold Land			
Unsecured, considered good	20.94	*19.22*	*19.12*
(iii) Others			
Unsecured, considered good			
Prepaid Expenses	76.56	*62.53*	*107.24*
Advances to Vendors	266.73	*231.99*	*244.12*
Deferred Rent Expense	0.14	*0.14*	*0.14*
Power Banking Receivable	116.74	*470.36*	*137.72*
Other Advances	32.96	*63.85*	*30.51*
Others	2.81	*0.15*	*0.48*
Doubtful	1.57	*1.95*	*4.18*
	497.51	*830.97*	*524.39*
Less: Allowances for Doubtful Advances	1.57	*1.95*	*4.18*
	495.94	*829.02*	*520.21*
Total	**582.97**	***933.02***	***607.74***

Notes to the Consolidated Financial Statements

14. Inventories

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Inventories (lower of cost and net realisable value)			
(a) Raw Materials			
Fuel - Stores	575.00	*508.03*	*613.29*
Fuel-in-Transit	260.64	*180.24*	*187.86*
Others	158.76	*139.69*	*104.74*
(b) Work-In-Progress	29.71	*16.77*	*3.87*
(c) Finished goods and semi-finished goods	110.13	*88.76*	*119.70*
(d) Stores and Spares			
Stores and Spare Parts	382.96	*361.69*	*336.43*
Stores-in-Transit	4.44	*15.18*	*13.69*
(e) Loose Tools	1.22	*0.66*	*0.71*
(f) Others			
Property under Development	76.70	*62.38*	*49.91*
Total	**1,599.56**	***1,373.40***	***1,430.20***

During the year ended 31st March, 2017 the Group has recognised ₹ 62.74 crore (*31st March, 2016 - ₹ Nil*) as an expense for inventories carried at net realisable value.

15. Current Investments

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
I Investments carried at Amortised Cost							
(i) Statutory Investments							
Contingency Reserve Fund Investments							
Government Securities (Unquoted)							
7.49% GOI (2017)	7,36,000	*Nil*	*Nil*	100	7.36	*Nil*	*Nil*
7.99% GOI (2017)	8,48,700	*Nil*	*Nil*	100	8.49	*Nil*	*Nil*
7.59% GOI (2016)	Nil	*19,000*	*Nil*	100	Nil	*0.19*	*Nil*
					15.85	*0.19*	*Nil*
Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
6.25% GOI (2018)	15,00,000	*Nil*	*Nil*	100	15.00	*Nil*	*Nil*
7.49% GOI (2017)	25,00,000	*Nil*	*Nil*	100	25.00	*Nil*	*Nil*
7.99% GOI (2017)	33,49,300	*Nil*	*Nil*	100	33.49	*Nil*	*Nil*
					73.49	*Nil*	*Nil*
(ii) Other Investments							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*3,000*	*Nil*	100	Nil	*0.03*	*Nil*
					89.34	*0.22*	*Nil*
Carried over ...					89.34	*0.22*	*Nil*

Notes to the Consolidated Financial Statements

15. Current Investments *(Contd.)*

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward …					89.34	*0.22*	*Nil*
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	4,760	*4,760*	*4,760*	10	0.15	*0.07*	*0.10*
Coal India Limited	18,003	*18,003*	*18,003*	10	0.53	*0.53*	*0.66*
Infosys Technologies Limited	12,784	*3,584*	*1,792*	5	1.31	*0.44*	*0.40*
NTPC Limited	2,49,852	*2,49,852*	*2,49,852*	10	4.15	*3.22*	*3.67*
Oil & Natural Gas Corporation Limited	1,08,300	*72,200*	*13,200*	5	2.00	*1.55*	*0.41*
Reliance Industries Limited	20,900	*20,900*	*20,900*	10	2.76	*2.18*	*1.73*
State Bank of India	2,57,000	*2,57,000*	*2,45,000*	1	7.53	*4.99*	*6.54*
National Hydroelectric Power Corporation Limited	10,248	*10,248*	*10,248*	10	0.03	*0.02*	*0.02*
NMDC Limited	1,66,660	*1,66,660*	*1,66,660*	1	2.22	*1.63*	*2.15*
Axis Bank Limited	34,150	*34,150*	*5,300*	2	1.68	*1.52*	*0.30*
Bajaj Auto Limited	1,150	*1,150*	*Nil*	10	0.32	*0.28*	*Nil*
Cipla Limited	3,750	*3,750*	*Nil*	2	0.22	*0.19*	*Nil*
Hindalco Industries Limited	68,000	*68,000*	*Nil*	1	1.33	*0.60*	*Nil*
Infrastructure Development Finance Company Limited	38,500	*38,500*	*Nil*	10	0.21	*0.16*	*Nil*
IDFC Bank Limited	38,500	*38,500*	*Nil*	10	0.23	*0.19*	*Nil*
Larsen & Toubro Limited	6,300	*6,300*	*Nil*	2	0.99	*0.77*	*Nil*
Mahindra & Mahindra Limited	11,800	*11,800*	*Nil*	5	1.52	*1.43*	*Nil*
Sun Pharmaceuticals Limited	9,800	*9,800*	*Nil*	1	0.67	*0.80*	*Nil*
Bharat Forge Limited	6,500	*6,500*	*Nil*	2	0.68	*0.57*	*Nil*
ICICI Bank Limited	14,000	*14,000*	*Nil*	2	0.39	*0.33*	*Nil*
ITC Limited	12,000	*8,000*	*Nil*	1	0.34	*0.26*	*Nil*
Thermax Limited	6,000	*6,000*	*Nil*	2	0.59	*0.46*	*Nil*
HDFC Bank Limited	17,300	*17,300*	*Nil*	2	2.50	*1.85*	*Nil*
Elcot Power Controls Limited	1,000	*1,000*	*1,000*	10	*	*	*
Bharat Heavy Electricals Limited	Nil	*Nil*	*500*	2	Nil	*Nil*	*0.01*
CESC Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*0.01*
Gujarat Industries Power Company Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
GVK Power & Infrastructure Limited	Nil	*Nil*	*1000*	1	Nil	*Nil*	*
Indowind Energy Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Jaiprakash Power Venture Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Jindal Steel & Power Limited	Nil	*Nil*	*300*	1	Nil	*Nil*	*
KEC International Limited	Nil	*Nil*	*220*	2	Nil	*Nil*	*
Kirloskar Electric Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Neyveli Lignite Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Power Finance Corporation Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Reliance Infrastructure Limited	Nil	*Nil*	*100*	10	Nil	*Nil*	*
Torrent Cables Limited	Nil	*Nil*	*2*	10	Nil	*Nil*	*
					32.35	*24.04*	*16.00*
(b) Investments in Debentures or Bonds (Quoted)							
8.49% Non Convertible Debentures- NTPC Limited	2,49,852	*2,49,852*	*2,49,852*	12.50	0.31	*0.31*	*0.31*
					32.66	*24.35*	*16.31*
Carried over …					122.00	*24.57*	*16.31*

Notes to the Consolidated Financial Statements

15. Current Investments *(Contd.)*

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward ...					32.66	*24.35*	*16.31*
(c) Investment in Mutual Funds (Unquoted)							
Axis Liquid Fund - Direct Growth - CFDG	Nil	*6,550*	*Nil*		Nil	*1.10*	*Nil*
Axis Liquid Fund - Growth	Nil	*43,826*	Nil		Nil	*7.35*	*Nil*
Axis Liquid Fund - Direct - Growth	4,14,090	*Nil*	*Nil*		74.68	*Nil*	*Nil*
Axis Treasury Advantage Fund - Direct Growth	1,28,437	*Nil*	*Nil*		23.71	*Nil*	*Nil*
Baroda Pioneer Liquid Fund - Plan B - Direct	88,860	*Nil*	Nil		16.62	*Nil*	*Nil*
Birla Sun Life Cash Plus - Growth - Direct Plan	23,08,818	*Nil*	*Nil*		60.33	*Nil*	*Nil*
BSL - CashPlus - Growth - Indusind	18,11,486	*Nil*	*Nil*		47.34	*Nil*	*Nil*
DHFL Pramerica Insta Cash Plus - Direct - Growth	Nil	*2,46,433*	Nil		Nil	*4.85*	*Nil*
DSP Blackrock Liquidity Fund - IP - Growth	Nil	*42,926*	*1,15,003*		Nil	*9.28*	*22.99*
DSP Blackrock Liquidity Fund - Direct - Growth	1,27,503	*Nil*	*Nil*		29.66	*Nil*	*Nil*
DSP Blackrock Ultra Short Term Fund Direct Plan -Growth	20,50,354	*Nil*	*Nil*		2.44	*Nil*	*Nil*
HDFC Cash Mangement Plan Fund - Growth	Nil	*71,657*	*Nil*		Nil	*22.74*	*Nil*
ICICI Prudential - Growth	Nil	*10,23,387*	*Nil*		Nil	*22.83*	*Nil*
Invesco India Liquid Fund - Direct Plan - Growth	4,86,627	*Nil*	*Nil*		108.96	*Nil*	*Nil*
ICICI Prudential Liquid Direct Plan - Growth	6,23,445	*Nil*	*Nil*		15.02	*Nil*	*Nil*
ICICI Prudential Liquid Regular Growth	Nil	*18,73,923*	*13,53,417*		Nil	*40.03*	*28.00*
ICICI-Pru-Saving Fund - Growth	8,68,213	*Nil*	*Nil*		21.86	*Nil*	*Nil*
JM High Liquidity Fund - Direct Growth Option	3,43,28,651	*Nil*	*55,234*		152.82	*Nil*	*14.01*
JM High Liquidity - Growth	Nil	*34,52,312*	*25,17,814*		Nil	*14.27*	*9.61*
Kotak Liquid - Growth	Nil	*780*	*Nil*		Nil	*0.29*	*Nil*
LIC MF Liquid Fund - Direct - Growth Plan - LICLF	9,210	*Nil*	*Nil*		2.72	*Nil*	*Nil*
LIC Nomura Liquidity Fund - Growth	Nil	*23,981*	Nil		Nil	*6.57*	*Nil*
Religare Invesco Liquid Fund - Direct Plan - Growth	3,17,906	*Nil*	*72,771*		71.17	Nil	*14.00*
Religare Invesco Liquid Fund - Growth	Nil	*186,787*	*8,71,307*		Nil	*38.87*	*167.66*
SBI Premier Liquid Fund - Growth	Nil	*95,324*	*Nil*		Nil	*22.69*	*Nil*
SBI Premier Liquid Fund- Direct Plan - Growth	5,44,947	*Nil*	*Nil*		139.09	*Nil*	*Nil*
Sundaram Money Fund - Direct	1,60,64,421	*Nil*	Nil		55.09	*Nil*	*Nil*
Sundaram Money Fund - Growth	Nil	*Nil*	*1,97,14,661*		Nil	*Nil*	*58.19*
Tata Floater - Direct Plan Growth	1,83,598	*Nil*	*Nil*		45.56	*Nil*	*Nil*
Tata Money Market Fund - Direct Plan - Growth	1,89,145	*Nil*	*54,228*		48.48	*Nil*	*14.01*
Tata Money Market Fund- Growth	Nil	*94,974*	*Nil*		Nil	*22.68*	*Nil*
Tata Liquid Super High Investment Fund - Growth	61,954	*1,27,601*	*1,35,199*		18.57	*35.67*	*34.93*
Tata Liquid Fund Direct Plan - Daily Dividend	8,264	*72,869*	*53,786*		0.92	*8.12*	*5.99*
Tata Liquid Fund Plan A - Daily Dividend	1,40,249	*1,37,151*	*1,17,111*		40.74	*15.29*	*13.05*
UTI Liquid Fund - Cash Plan - Growth	Nil	*73,931*	*34,441*		Nil	*18.31*	*7.88*
					975.78	*290.94*	*390.32*
(d) Investment in Mutual Funds (FMP) (Unquoted)							
Tata FMP - Series 44 - Scheme B - Growth	Nil	*1,19,51,664*	*Nil*	10	Nil	*15.02*	*Nil*
Tata FMP - Series 46 - Scheme A - Growth	Nil	*31,68,325*	*Nil*	10	Nil	*3.85*	*Nil*
Tata FMP - Series 45 - Scheme D - Growth	Nil	*13,01,188*	*Nil*	10	Nil	*1.57*	*Nil*
					Nil	*20.44*	*Nil*
					1,008.44	*335.73*	*406.63*
Total					**1,097.78**	***335.95***	***406.63***
Notes:							
1. Aggregate Market Value of Quoted Investments					32.66	*24.35*	*16.31*
2. Aggregate Carrying Value of Quoted Investments					32.66	*24.35*	*16.31*
3. Aggregate Carrying Value of Unquoted Investments					1,065.12	*311.60*	*390.32*

Notes to the Consolidated Financial Statements

16 a. Cash and Cash Equivalents

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
(i) Balances with Banks:			
In Current Accounts	459.91	*495.44*	*555.98*
In Deposit Accounts (with original maturity less than three months)	349.29	*80.72*	*390.68*
(ii) Cheques on Hand	23.60	*35.86*	*29.25*
(iii) Cash on Hand	2.42	*1.13*	*1.32*
Cash and Cash Equivalents as per Balance Sheet	**835.22**	***613.15***	***977.23***
Bank Overdraft (Refer Note 26)	(16.64)	*(373.36)*	*(163.89)*
Cash and Cash Equivalents as per Statement of Cash Flows	**818.58**	***239.79***	***813.34***

16 b. Other Balances with Banks

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
(i) In Deposit Accounts	106.46	*38.54*	*52.67*
(ii) In Earmarked Accounts-			
Unpaid Dividend Account	12.62	*11.47*	*11.60*
Total	**119.08**	***50.01***	***64.27***

17. Assets classified as held for sale

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Freehold Land (i)	15.83	*Nil*	*Nil*
Property, Plant and Equipment (ii)	24.68	*Nil*	*Nil*
Investments carried at Fair Value through Other Comprehensive Income (iii)	195.21	*Nil*	*Nil*
Investments in Joint Ventures and Associates (iv)	1,683.75	*1,122.24*	*1,046.57*
	1,919.47	***1,122.24***	***1,046.57***
Liabilities associated with assets held for sale	**Nil**	***Nil***	***Nil***

(i) (a) The Group had a power generation unit at Belgaum, Karnataka. Operations at the unit have been discontinued on 28th February, 2013 with conclusion of Power Purchase Agreement with the customers. The Group has disposed of majority of the assets located at the unit and is in the process of disposing of the Freehold Land. During the year ended 31st March, 2017, the Group has reclassified the said land as asset held for sale. No impairment loss has been recognised on reclassification as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount of ₹ 2.90 crore as at 31st March, 2017.

(b) The Group was in the process of setting up a thermal power generation unit in Jharkhand State and accordingly had acquired Freehold Land at Tiruldih. Coal for the unit was planned to be sourced from Tubed coal block in Latehar district. However, in 2014, the Hon'ble Supreme Court de-allocated the said coal block. As a result, the project was left with no fuel supply and has become unviable. Hence, the Group has decided to dispose of the Freehold Land at Tiruldih. During the year ended 31st March, 2017, the Group has reclassified the said land as asset held for sale. Accordingly, the Freehold Land is being carried in the books at its fair value less cost to sell of ₹ 9.72 crore (i.e. fair value estimated based on market price of similar properties near the location less costs to sell the land) resulting in the recognition of ₹ 34 crore as impairment loss in the statement of profit and loss.

Notes to the Consolidated Financial Statements

17. Assets classified as held for sale *(Contd.)*

(i) (c) The Group has ceased power generation at Diesel (DG set) based unit at Vadaval, Maharashtra and has disposed of the DG sets. The Group is in the process of disposing Freehold Land. During the year ended 31st March, 2017, the Group has reclassified the said Freehold Land at the the said unit as asset held for sale. No impairment loss has been recognised on reclassification as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount of ₹ 3.21 crore as at 31st March, 2017.

(ii) The Group has ceased power generation at Unit 4 at Trombay, Maharashtra and has initiated process for disposal of its assets. During the year ended 31st March, 2017, the Group has reclassified Property, Plant and Equipment at the said unit as asset held for sale. No impairment loss has been recognised on reclassification as the Company expects that the estimated fair value less costs to sell is higher than the carrying amount of ₹ 24.68 crore as at 31st March, 2017.

(iii) The Group decided to divest certain portion of its investments carried at fair value through other comprehensive income in Tata Teleservices (Maharashtra) Limited and Indian Energy Exchange Limited. Hence, the said investments have been classified as held for sale at fair value of ₹ 195.21 crore as at 31st March, 2017.

(iv)(a) The Group had entered into an agreement for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies for an aggregate consideration of USD 510 million. Consequent to certain closing adjustments to the sale consideration and other changes agreed between the parties, the Group has signed revised definitive agreements during the year ended 31st March, 2017. The sale consideration has been revised to USD 400.92 million 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 ₹ 1,673.30 crore *(31st March, 2016 - ₹ 1,122.24 crore, 1st April, 2015 - ₹ 1,046.57 crore).*

(b) The Group holds investment in Nelito Systems Limited (Nelito), an Associate company. During the year ended 31st March, 2017, the Group has sold part of the investment at ₹ 185/- per share and decided to sell its entire share holding. Accordingly, balance investment of ₹ 10.45 crore as at 31st March, 2017 has been classified and disclosed as Assets classified as held for sale at ₹ 185/- per share representing last sale price.

18. Regulatory Deferral Accounts

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Regulatory Deferral Account - Liability			
Regulatory Liabilities	656.00	*680.38*	*18.36*
Total	**656.00**	***680.38***	***18.36***
Regulatory Deferral Account - Asset			
Regulatory Assets	6,481.35	*7,334.28*	*7,677.16*
Total	**6,481.35**	***7,334.28***	***7,677.16***

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 (MYT) Regulations issued by respective State Regulators is applicable to the Group's distribution business. 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 on return approved equity base, from its consumers. The Group determines the Revenue, Regulatory Assets and Liabilites as per the terms and conditions specified in respective MYT Regulations.

Notes to the Consolidated Financial Statements

18. Regulatory Deferral Accounta *(Contd.)*

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities as on 31st March, 2017, and 31st March, 2016 is as follows:

		As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
Opening Regulatory Assets net of Liabilities	(A)	6,653.90	*7,658.80*
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		7,368.48	*7,311.45*
(ii) Other expenses as per the terms of Tariff Regulations including ROE		1,820.31	*2,530.09*
(iii) Collected during the year as per approved Tariff		(9,875.25)	*(10,649.51)*
Regulatory Expenses (net) (i + ii + iii)		(686.46)	*(807.97)*
Regulatory Income/(Expenses) (net) in respect of earlier years		77.00	*(167.27)*
Expenses on account of Rate Regulated Activities	(B)	(609.46)	*(975.24)*
Carrying cost recognised in the Statement of Profit and Loss relating to uncollected amounts	(C)	103.16	*219.72*
Amount Collected (net) in respect of earlier years	(D)	(322.25)	*(249.38)*
Closing Regulatory Asset	(A + B + C + D)	5,825.35	*6,653.90*
Regulatory Assets		**6,481.35**	***7,334.28***
Regulatory Liabilities		**(656.00)**	***(680.38)***
Total		**5,825.35**	***6,653.90***

19 a. Equity - Share Capital

	As at 31st March, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Authorised						
Equity Shares of ₹ 1/- each	300,00,00,000	300.00	*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*
		529.00		*529.00*		*529.00*
Issued						
Equity Shares [including 28,32,060 shares *(31st March, 2016 - 29,76,172 shares, 1st April, 2015 - 29,80,316 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, 2016 - 29,76,172 shares, 1st April, 2015 - 29,80,316 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	*270,46,29,398*	*270.46*	*270,46,25,254*	*270.46*
Less: Calls in arrears [including ₹ 0.01 crore *(31st March, 2016 - ₹ 0.01 crore, 1st April, 2015 ₹ 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		*270.42*		*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**		***270.48***		***270.48***

Notes to the Consolidated Financial Statements

19 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, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Equity Shares						
At the beginning of the year	270,62,81,698	270.48	*270,62,77,554*	*270.48*	*237,47,24,660*	*237.33*
Issued during the year	1,44,112	0.02	*4,144*	*	*33,15,52,894*	*33.15*
Outstanding at the end of the year	270,64,25,810	**270.50**	*270,62,81,698*	***270.48***	*270,62,77,554*	***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, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	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*	*82,18,99,682*	*30.39*
Life Insurance Corporation of India	33,22,45,379	12.28	*36,98,66,780*	*13.68*	*35,48,05,781*	*13.12*
Matthews Pacific Tiger Fund	16,46,20,436	6.09	*16,56,20,436*	*6.12*	*16,75,45,436*	*6.19*

19 b. Unsecured Perpetual Securities

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
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 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. 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 Consolidated Financial Statements

20. Other Equity

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore
General Reserve		
Opening Balance	4,086.53	3,996.37
Add: Amount transferred from Retained Earnings	Nil	90.16
Closing Balance	4,086.53	4,086.53
Securities Premium Reserve		
Opening Balance	5,646.95	5,646.93
Add: Share Premium collected during the year	0.85	0.02
Closing Balance	5,647.80	5,646.95
Debenture Redemption Reserve		
Opening Balance	564.71	434.66
Add: Amount transferred from Retained Earnings	510.14	130.05
Closing Balance	1,074.85	564.71
Capital Redemption Reserve	15.76	15.76
Capital Reserve	221.30	221.30
Special Reserve Fund		
Opening Balance	74.73	70.18
Add: Amount transferred from Retained Earnings	28.12	4.55
Closing Balance	102.85	74.73
Retained Earnings		
Opening balance (Refer Note 1 below)	71.90	90.34
Add: Profit for the year	745.48	662.20
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	Nil	15.78
Transfer from Equity Instrument through Other Comprehensive Income (Refer Note 4 below)	141.62	4.11
Less: Distribution on Unsecured Perpetual Securities (Net of tax)	112.44	112.18
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	30.25	Nil
Other Appropriations:		
Payment of Dividend (Refer Notes 2 and 3 below)	351.99	351.99
Tax on Dividend	0.59	11.60
Transfer to Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)	28.12	4.55
Transfer to Debenture Redemption Reserve	510.14	130.05
Transfer to General Reserve	Nil	90.16
Transfer to Non-Controlling Interest	3.11	Nil
	(149.54)	(18.44)
Closing Balance	(77.64)	71.90
Equity Instrument through Other Comprehensive Income		
Opening Balance	413.20	725.41
Less: Transfer to Retained Earnings (Refer Note 4 below)	(141.62)	(4.11)
Less: Change in Fair Value of Equity Instruments through Other Comprehensive Income	(170.85)	(308.10)
Closing Balance	100.73	413.20
Foreign Currency Translation Reserve		
Opening Balance	274.44	Nil
Add: Addition during the year	62.98	274.44
Closing Balance	337.42	274.44
Effective Portion of Cash Flow Hedge		
Opening Balance	(6.62)	(1.09)
Add/(Less): Effective Portion of Cash Flow Hedge for the year	5.99	(5.53)
Closing Balance	(0.63)	(6.62)
Total	**11,508.97**	**11,362.90**

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, 2016 - ₹ 362.34 crore*).
2. On 23rd September, 2016, a dividend of ₹ 1.30 per share was paid to the holders of fully paid equity shares. In August, 2015, the dividend paid was ₹ 1.30 per share.
3. In respect of the year ended 31st March, 2017, the directors propose 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.
4. During the year ended 31st March, 2017, the Group has sold certain long-term Investments. The resultant profit of ₹ 141.62 crore (*31st March, 2016 - ₹ 4.11 crore*) has been transferred from Equity Instrument through Other Comprehensive Income to Retained Earnings.

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 is 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.

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 of.

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 profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Notes to the Consolidated Financial Statements

21. Non-current Borrowings

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non-current ₹ crore	Current ₹ crore	Non-current ₹ crore	Current ₹ crore	Non-current ₹ crore	Current ₹ crore
(i) Unsecured - At Amortised Cost						
Bonds/Debentures						
Bonds - 8.50% Euro Notes 2017	Nil	386.22	394.54	Nil	372.21	Nil
Convertible Debentures	Nil	Nil	1.11	Nil	1.02	Nil
Redeemable Non-Convertible Debentures	4,676.67	4,499.77	3,907.60	Nil	2,983.29	Nil
Term Loans						
From Banks	5,316.28	67.50	5,977.88	667.90	5,511.04	1,075.60
From Others	Nil	Nil	Nil	Nil	7.61	188.22
Loans from Related Parties	770.42	Nil	787.03	Nil	742.47	Nil
Deferred Payment Liabilities - Sales Tax Deferral	28.45	15.35	43.30	14.17	57.48	11.37
Others						
Non-Convertible Cumulative Redeemable Preference Shares	245.00	Nil	245.00	Nil	245.00	Nil
	11,036.82	4,968.84	11,356.46	682.07	9,920.12	1,275.19
(ii) Secured - At Amortised Cost						
Bonds/Debentures						
Redeemable Non-Convertible Debentures	2,518.69	41.00	2,061.34	41.02	1,603.75	258.33
Term Loans						
From Banks	9,456.70	2,303.64	8,382.52	1,050.78	7,505.19	795.65
From Others	632.98	79.18	613.56	71.93	2,318.00	125.78
Others						
Buyer's Credit	1,497.77	Nil	Nil	Nil	Nil	Nil
	14,106.14	2,423.82	11,057.42	1,163.73	11,426.94	1,179.76
Total	**25,142.96**	**7,392.66**	**22,413.88**	**1,845.80**	**21,347.06**	**2,454.95**

Notes to the Consolidated Financial Statements

21. Non-current Borrowings *(Contd.)*

Security

(i) Redeemable Non-Convertible Debentures are secured by a *pari passu* charge on the assets of various wind farms, land in village Takve Khurd (Maharashtra) and movable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra.

(ii) Term Loans and Buyer's Credit availed by the Group from various Banks and Financial Institutions are secured by a *pari passu* charge on all present and future moveable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, receivables, intangibles and rights of the respective entities and bank guarantees.

Terms of Repayments

Unsecured

(i) Unsecured Redeemable Non-Convertible Debentures includes ₹ 1,488.80 crore carrying 10.75% rate of interest and is redeemable in August, 2072. The Group has the call option to redeem the same at the end of 10 years from 21st August, 2022 and at the end of every year thereafter.

(ii) Unsecured Redeemable Non-Convertible Debentures includes ₹ 998.55 crore which carry rates of interest of 9.41% and 9.48% and are redeemable starting from 2019 and ending in 2023.

(iii) Unsecured Redeemable Non-Convertible Debentures includes ₹ 2,189.32 crore which carry rates of interest ranging from 8% to 9.24% and are redeemable between January 2022 and June 2026.

(iv) 8.50% Euro Notes will be fully repaid in August, 2017.

(v) 12% Non-Convertible cumulative redeemable preference shares are due for redemption in March, 2033. However the Group shall have the option to redeem the preference shares at any time after the allotment thereof keeping in view the availability of the profitability/surplus funds.

(vi) Unsecured Term Loans from Banks have maturities starting from 2018 and ending with 2021 in various installments.

(vii) Loans from Related parties are carrying interest rates between LIBOR plus 6.1% and LIBOR plus 6.35% and are repayable in installments completing in June 2018.

(viii) Sales Tax Deferral is repayable in 150 installments commencing from April, 2015 and repayable in full by 2022.

Secured

(i) Secured Redeemable Non-Convertible Debentures includes ₹ 1,522.16 crore which carry rates of interest ranging from 9.15% to 10.40% and is redeemable starting from 2017 and ending with 2026, in various installments.

(ii) Secured Redeemable Non-Convertible Debentures includes ₹ 996.53 crore which carry varying rates of interest, a part of the same is fixed at 8% and remaining is floating and calculated considering HDFC Bank Limited's base rate plus 15 basis points. These are redeemable starting from 2021 and ending with 2027, in various annual installments.

(iii) Secured Term Loans from Banks and Others have maturities starting from 2017 and ending with 2036 in various installments.

Notes to the Consolidated Financial Statements

22. Other Financial Liabilities

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current			
Security Deposits from Customers	537.53	*566.37*	*520.96*
Payable for purchase of fixed assets	5.06	*4.85*	*4.11*
Other Liabilities	0.30	*0.35*	*0.76*
Total	**542.89**	***571.57***	***525.83***
Current			
(a) Current Maturities of Long-term Debt	7,392.66	*1,845.80*	*2,454.95*
(b) Interest accrued but not due on Borrowings - Others	563.11	*336.46*	*322.38*
(c) Interest accrued but not due on Borrowings - Joint Ventures	329.04	*232.53*	*159.63*
(d) Investor Education and Protection Fund shall be credited by the following amounts namely: **			
Unpaid Dividend	16.41	*14.87*	*14.61*
Unpaid Matured Deposits	0.03	*0.03*	*0.03*
Unpaid Matured Debentures	0.09	*0.09*	*0.09*
(e) Other Payables			
Payables towards Purchase of Fixed Assets	771.03	*653.32*	*558.81*
Derivative Contracts	944.51	*937.23*	*930.68*
Security Deposits from Consumers	211.67	*206.11*	*188.13*
Security Deposits from Customers	43.58	*24.76*	*34.30*
Tender Deposits from Vendors	1.88	*1.41*	*2.50*
Regulatory Liabilities other than Distribution Business	799.83	*639.21*	*1,145.06*
Other Financial Liabilities	382.84	*164.16*	*187.48*
Total	**11,456.68**	***5,055.98***	***5,998.65***

** Includes amounts outstanding aggregating ₹ 0.87 crore *(31st March, 2016 - ₹ 0.84 crore, 1st April, 2015 - ₹ 0.85 crore)* for more than seven years pending legal cases.

Notes to the Consolidated Financial Statements

23. Provisions

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Provisions for Employee Benefits			
Compensated Absences	133.25	125.94	114.14
Gratuity (Net) [Refer Note 38(2.3)]	30.76	25.83	19.52
Post-Employment Medical Benefits [Refer Note 38(2.3)]	24.86	20.57	18.49
Other Defined Benefit Plans [Refer Note 38(2.3)]	41.20	39.01	37.55
Other Employee Benefits	22.16	14.66	14.38
	252.23	226.01	204.08
Other Provisions			
Provision for Warranties	18.34	16.85	16.83
Provision for Estimated Losses	0.11	0.67	1.74
	18.45	17.52	18.57
Total	**270.68**	**243.53**	**222.65**
Current			
Provisions for Employee Benefits			
Compensated Absences	25.04	15.52	14.41
Gratuity (Net) [Refer Note 38(2.3)]	13.76	29.16	28.51
Post-Employment Medical Benefits [Refer Note 38(2.3)]	0.83	0.73	0.64
Other Defined Benefit Plans [Refer Note 38(2.3)]	5.84	5.77	5.54
Other Employee Benefits	2.60	5.87	4.79
	48.07	57.05	53.89
Other Provisions			
Provision for Warranties	44.18	38.12	32.65
Provision for Losses	0.77	91.58	56.32
Provision for Future Losses of Joint Ventures	82.64	60.16	0.98
Provision for Rectification Work	32.03	15.52	3.72
	159.62	205.38	93.67
Total	**207.69**	**262.43**	**147.56**

Notes to the Consolidated Financial Statements

23.1 Other Provisions

₹ crore

	Provision for Warranties	Provision for Future Losses of Joint Ventures	Provision for Losses	Provision for Rectification Work	Total
Balance as at 1st April, 2015	*49.48*	*0.98*	*58.06*	*3.72*	*112.24*
Additional provisions recognised	*36.70*	*59.18*	*34.47*	*11.80*	*142.15*
Reductions arising from payments	*(5.56)*	*Nil*	*(0.28)*	*Nil*	*(5.84)*
Reductions arising from remeasurements or settlement without cost	*(25.65)*	*Nil*	*Nil*	*Nil*	*(25.65)*
Balance as at 31st March, 2016	*54.97*	*60.16*	*92.25*	*15.52*	*222.90*
Balance as at 31st March, 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**

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.
3. The provision for future 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 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 year 2017-18. These amounts have not been discounted for the purposes of measuring the provision for rectification work, because the effect is not material.

24. Tax liabilities

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ 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	40.04	*70.16*	*38.60*
Total	**40.04**	***70.16***	***38.60***

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Notes to the Consolidated Financial Statements

25. Other Liabilities

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Consumers' Benefit Account	21.94	21.94	21.94
Deferred Revenue - Service Line Contributions from Consumers	967.83	878.48	779.80
Liability to Consumers	243.83	265.10	291.21
Deferred Rent Liability	46.69	47.67	9.74
Deferred Revenue Grant	1,806.41	1,829.69	1,880.91
Total	**3,086.70**	**3,042.88**	**2,983.60**
Current			
Statutory Liabilities	279.49	260.46	266.49
Advance from Customers/Public Utilities	412.71	219.82	335.59
Statutory Consumer Reserves	658.23	644.23	623.23
Special Appropriation towards Project Cost	533.61	533.61	533.61
Deferred Revenue Grant	50.72	50.72	50.72
Other Liabilities	41.56	2.88	1.10
Total	**1,976.32**	**1,711.72**	**1,810.74**

26. Current Borrowings

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
(i) Unsecured - At Amortised Cost			
From Banks			
(a) Buyer's Line of Credit	672.20	392.37	1,178.99
(b) Bank Overdraft	16.64	373.36	163.89
(c) Short-term Loans	575.93	556.20	1,194.72
From Others			
(d) From Related Parties	1,197.49	1,127.90	1,124.24
(e) From Others	4,174.38	4,598.89	5,306.97
(f) Commercial Papers [maximum amount outstanding during the year is ₹ 4,720 crore (*31st March, 2016 - ₹ 2,845 crore*)]	3,074.56	1,303.07	1,250.74
	9,711.20	8,351.79	10,219.55
(ii) Secured - At Amortised Cost			
From Banks			
(a) Buyer's Line of Credit	Nil	1.00	2.00
(b) Short-term Loans	6,568.59	6,236.12	6,355.97
	6,568.59	6,237.12	6,357.97
Total	**16,279.79**	**14,588.91**	**16,577.52**

Security

The Short-term Loans and Buyer's Line of Credit availed by various entities of the Group are secured by a *pari passu* charge on immovable property of certain entities, both present and future and are also secured by a *pari passu* charge on tangible assets, receivables and stores and spares of the respective entities.

Notes to the Consolidated Financial Statements

27. Revenue from Operations

	For the year ended 31st March, 2017 ₹ crore	For the year ended 31st March, 2016 ₹ crore
(a) Revenue from Power Supply and Transmission Charges	24,160.71	25,567.05
Less: Expense to be adjusted in future tariff determination (Net)	(121.34)	(97.65)
Add/(Less): Income/(Expense) to be adjusted in future tariff determination (Net) in respect of earlier years	(100.69)	155.42
	23,938.68	25,624.82
(b) Project/Operation Management Services		
Assets Under Lease	891.83	987.47
Others	117.21	133.44
	1,009.04	1,120.91
(c) Revenue from Contracts (including Excise Duty)		
Solar Products	1,492.35	1,468.80
Electronic Products	618.34	585.20
	2,110.69	2,054.00
(d) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	13.62	13.82
Charter Hire	159.37	117.86
Income in respect of Services Rendered	302.81	223.68
Compensation	14.66	12.84
Amortisation of Capital Grants	61.18	51.22
Amortisation of Service Line Contributions	67.00	59.59
Income from Storage and Terminalling	14.62	13.46
Income from Finance Lease	113.42	95.97
Miscellaneous Revenue and Sundry Credits	57.25	73.94
Sale of Fly Ash	10.61	8.57
Sale of Carbon Credits	9.47	11.14
Dividend from Equity Investments measured at FVTOCI	2.99	6.24
Dividend from Equity Investments measured at FVTPL	0.61	0.54
Interest on Inter-corporate Deposits	0.67	0.06
Profit on sale of Current Investments - measured at FVTPL	11.03	12.23
	839.31	701.16
Total	**27,897.72**	**29,500.89**

Notes to the Consolidated Financial Statements

28. Other Income

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(a) Interest Income		
(i) Financial Assets held at Amortised Cost		
Interest on Bank Deposits	11.77	*21.23*
Interest from Inter-corporate Deposits	17.57	*4.84*
Interest on Overdue Trade Receivables	21.41	*118.74*
Interest on Non-current Investment - Contingency Reserve Fund	7.35	*6.62*
Interest on Non-current Investment - Deferred Tax Liability Fund	21.21	*21.16*
Interest on Loans to Joint Ventures	22.98	*44.79*
Other Interest	16.14	*1.44*
	118.43	*218.82*
(ii) Others		
Interest on Income-tax refund	3.44	*0.40*
	121.87	*219.22*
(b) Dividend Income		
From Current Investments measured at FVTPL	1.20	*0.83*
From Non-current Investments measured at FVTOCI	3.97	*25.89*
	5.17	*26.72*
(c) Gain/(Loss) on Investments		
Gain on Sale of Current Investment measured at FVTPL	90.95	*29.68*
Gain on Sale of Investment in Associates	0.26	*21.14*
	91.21	*50.82*
(d) Other Non-operating Income		
Commission Earned	9.90	*9.96*
Gain/(Loss) on disposal of Property, Plant and Equipment (Net)	(18.88)	*22.08*
Delayed Payment Charges	27.91	*27.98*
Other Income	23.53	*1.17*
Management Fees	325.17	*396.14*
	367.63	*457.33*
(e) Other Gains/(Loss)		
Net Loss on Foreign Exchange	(383.66)	*(662.75)*
Total	**202.22**	***91.34***

Notes to the Consolidated Financial Statements

29. Raw Materials Consumed and Decrease in Work-in-Progress/Finished Goods/Stock-in-Trade

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Raw Materials Consumed		
Opening Stock	139.69	*104.74*
Add: Purchases	1,028.74	*1,171.56*
	1,168.43	*1,276.30*
Less: Closing Stock	158.76	*139.69*
Total	**1,009.67**	***1,136.61***
Decrease in Work-in-Progress/Finished Goods/Stock-in-Trade		
Work-in-Progress		
Inventory at the beginning of the year	16.77	*3.87*
Add: Additions during the year	18.48	*13.44*
	35.25	*17.31*
Less: Inventory at the end of the year	29.71	*16.77*
	5.54	*0.54*
Finished Goods		
Inventory at the beginning of the year	88.76	*119.70*
Add: Purchase/Used in the year	44.17	*2.68*
	132.93	*122.38*
Less: Inventory at the end of the year	110.13	*88.76*
	22.80	*33.62*
Total	**28.34**	***34.16***

30. Employee Benefits Expense

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Salaries and Wages	1,164.58	*1,126.63*
Contribution to Provident Fund [Refer Note 38(1)]	60.89	*47.87*
Contribution to Superannuation Fund [Refer Note 38(1)]	10.77	*10.60*
Retiring Gratuities [Refer Note 38(2.3)]	37.85	*21.76*
Leave Encashment Scheme	38.78	*26.35*
Pension Scheme	9.68	*22.26*
Staff Welfare Expenses	161.64	*139.06*
	1,484.19	*1,394.53*
Less:		
Employee Cost Capitalised	151.54	*147.94*
Employee Cost Inventorised	36.71	*19.08*
	188.25	*167.02*
Total	**1,295.94**	***1,227.51***

Notes to the Consolidated Financial Statements

31. Finance Costs

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(a) Interest Expense:		
Borrowings		
Interest on - Debentures	877.49	*506.05*
Interest on - Euro Notes	33.78	*34.06*
Interest on Loans - Banks and Financial Institutions	2,107.72	*2,171.83*
Interest paid to Joint Ventures	38.68	*64.43*
Others		
Interest on Consumer Security Deposits	51.84	*46.35*
Other Interest and Commitment Charges	52.42	*127.41*
Interest on Non-convertible Cumulative Redeemable Preference Shares	41.61	*40.07*
	3,203.54	*2,990.20*
Less: Interest Capitalised	63.75	*38.34*
	3,139.79	*2,951.86*
(b) Other Borrowing Cost:		
(Gain)/Loss arising on Interest Rate Swap	(146.55)	*221.25*
Other Finance Costs	120.73	*62.77*
Less: Finance charges Capitalised	Nil	*0.07*
	(25.82)	*283.95*
Total	**3,113.97**	***3,235.81***

Notes to the Consolidated Financial Statements

32. Other Expenses

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Consumption of Stores, Oil, etc. (excluding ₹ 68.73 crore on repairs and maintenance - *Previous Year - ₹ 79.26 crore*)	178.43	*104.99*
Rental of Land, Buildings, Plant and Equipment, etc.	113.77	*117.99*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	125.37	*101.94*
(ii) To Machinery and Hydraulic Works	416.89	*399.11*
(iii) To Furniture, Vehicles, etc.	73.90	*72.93*
	616.16	*573.98*
Rates and Taxes	87.30	*110.45*
Insurance	79.85	*100.98*
Other Operation Expenses	417.22	*346.26*
Ash Disposal Expenses	52.96	*56.28*
Warranty Charges	14.41	*11.05*
Travelling and Conveyance Expenses	65.98	*54.76*
Consultants' Fees	57.78	*52.85*
Auditors' Remuneration	17.98	*14.06*
Cost of Services Procured	229.34	*218.87*
Bad Debts	3.49	*2.47*
Allowance for Doubtful Debts and Advances (Net)	43.82	*93.10*
Amortisation of Premium paid for Leasehold Land	17.31	*19.16*
Provision for Losses	(91.07)	*34.47*
Loss on Sale of Investments in Joint Ventures accounted for using the Equity Method	15.27	*NIl*
Donations	5.03	*8.87*
Legal Charges	54.23	*38.32*
Corporate Social Responsibility Expenses	51.04	*54.14*
Impairment of Non-current assets held for sale	34.00	*Nil*
Excise Duty Paid	15.81	*6.59*
Transfer to Contingency Reserve	14.00	*21.00*
Marketing expenses	11.07	*15.79*
Miscellaneous Expenses	100.00	*101.25*
Total	**2,205.18**	***2,157.68***

Notes to the Consolidated Financial Statements

33. Income taxes

1. Income taxes recognised in statement of profit and loss

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Current tax		
In respect of the current year	609.00	*593.54*
In respect of the previous years	0.37	*(68.33)*
	609.37	***525.21***
Deferred tax		
In respect of the current year	(655.19)	*131.38*
Adjustments to deferred tax attributable to changes in tax rates	Nil	*23.72*
	(655.19)	***155.10***
Total income tax (benefit)/expense recognised in the current year	**(45.82)**	***680.31***

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

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(Loss)/Profit Before Tax considered for tax working	(314.55)	*1,280.71*
Income tax expense calculated at 34.61%	(108.86)	*443.20*
Effect of Income that is exempt from taxation	(139.40)	*(207.75)*
Effect of expenses that are not deductible in determining taxable profit	631.66	*642.85*
Effect of Tax Incentives	(171.90)	*(201.06)*
Effect of Tax on Income at different rates	174.28	*57.05*
Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability	172.38	*153.82*
Effect of MAT credit recognised	(660.54)	*Nil*
Effect of Reversal of Deferred Tax on Tax Holiday assets due to change in Estimates (Refer Note 12)	(180.65)	*Nil*
Effect of Tax on Distribution on Perpetual Securities	59.26	*59.19*
Effect of previously unrecognised tax losses now recouped to reduce current tax expense	(107.63)	*(528.32)*
Effect of Tax losses for which no Deferred Income-tax was recognised	295.15	*1.44*
Effect of Tax on Undistributed Profits	61.68	*33.22*
Effect of Tax on Other Items	(25.40)	*(22.46)*
Effect of different tax rates of subsidiaries operating in other jurisdictions	(46.22)	*293.74*
Effect on deferred tax balances due to the changes in income tax rate from 33.99% to 34.61%	Nil	*23.72*
	(46.19)	*748.64*
Adjustments recognised in the current year in relation to the current tax of prior years	0.37	*(68.33)*
Income-tax (benefit)/expense recognised in statement of profit or loss	**(45.82)**	***680.31***

Notes:

1. The tax rate used for the years 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under the Indian tax law.
2. 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 2016-17 and 2015-16.

Notes to the Consolidated Financial Statements

33. Income taxes *(Contd.)*

2. **Income-tax recognised directly in equity**

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Current tax		
Effect of Distribution on Unsecured Perpetual Securities	(59.26)	*(59.19)*
	(59.26)	*(59.19)*
Deferred tax		
Effect of Distribution on Unsecured Perpetual Securities	0.46	*Nil*
Income-tax benefit recognised directly in equity	**(58.80)**	***(59.19)***

3. **Income-tax recognised in Other Comprehensive Income**

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Current tax		
Net fair value gain on investments in equity shares at FVTOCI	38.55	*1.41*
	38.55	***1.41***
Deferred tax		
Arising on Income and expenses recognised in other comprehensive income		
Net fair value gain on investments in equity shares at FVTOCI	(0.12)	*4.18*
Remeasurements of defined benefit obligation	(4.36)	*(2.85)*
	(4.48)	***1.33***
Total income-tax expense recognised in Other Comprehensive Income	**34.07**	***2.74***
Bifurcation of the Income-tax expense recognised in Other Comprehensive Income into:		
Items that will be reclassified to profit or loss	Nil	*Nil*
Items that will not be reclassified to profit or loss	34.07	*2.74*
	34.07	***2.74***

34. (i) The Group, in the case of its power plant at Maithon, had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Group's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipt of the mega power certificate, the Group remains liable to pay excise and customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Group had paid excise Duty to its vendors aggregating to ₹ 120.24 crore *(31st March, 2016 - ₹ 119.97 crore, 1st April, 2015 - ₹ 119.97 crore)* upto 31st March, 2017. Out of total payment of excise duty to suppliers ₹ 119.11 crore (net of receipts) *(31st March, 2016 - ₹ 119.11 crore, 1st April, 2015 - ₹ 119.11 crore)* had been capitalised and the balance amount of ₹ 1.13 crore is included in capital work-in-progress as at 31st March, 2017.

(ii) Power Plant at Mundra UMPP :

(a) Revenue recognition arising out of CERC/APTEL/Supreme Court Order

The Group had filed a Petition before CERC in July 2012 with a prayer to establish an appropriate mechanism to offset in tariff the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law by Government of Indonesia under the provision of Change in Law or Force Majeure clauses in the PPA and pass such Order as it may deem fit considering the facts and circumstances of the case.

Notes to the Consolidated Financial Statements

CERC rejected the claims made by the Group under the provisions of Change in Law and Force Majeure but granted relief by exercising its regulatory power under Electricity Act, 2003. The CERC Order was challenged by the procurers before APTEL. APTEL in its Judgment dated 7th April, 2016 set aside the findings of CERC on Regulatory Power and also rejected the claims made by the Group under provision of Change in Law to PPA. It however upheld that change in Indonesian law was a Force Majeure event under the PPA and the Group is entitled to relief under Force Majeure. APTEL remanded the matter back to the CERC with a direction to assess the extent of impact of Force Majeure and grant such relief as may be available under the PPA. APTEL's order was challenged by the procurers, including consumer groups, before the Hon'ble Supreme Court. On 6th December, 2016, CERC passed the Order prescribing Force Majeure relief mechanism. The Hon'ble Supreme Court, vide its order dated 11th April, 2017, rejected the Group's claim under Force Majeure and Change in Law and held that where there are no guidelines framed at all or where the guidelines do not deal with a given situation, the CERC's general regulatory powers under Section 79(1)(b) can be exercised.

The Group had not recognised any revenue pertaining to the above matter in its books of account, and therefore the Supreme Court judgment has no impact on the consolidated financial statements for the year ended 31st March, 2017.

(b) Impairment of Assets :

As at 31st March, 2017, the carrying amount of Property, Plant and Equipment at Mundra (assets at Mundra) amounting to ₹ 17,495.29 crore *(31st March, 2016 - ₹ 17,882.42 crore, 1st April, 2015 - ₹ 15,891.29 crore)*. The recoverable amount of the assets at Mundra (cash generating unit) has been determined on the basis of their value in use. For estimating the value in use it is necessary to project the future cash flow of assets at Mundra over its estimated useful life. In making these projections, management has relied on external estimates of market participants for the future price of coal and foreign exchange rates and made certain assumptions relating to future tariff and estimates of operating performance. However, if these assumptions change consequent to changes in future conditions, there could be adverse or favorable effect on the recoverable amount of the assets at Mundra.

The underlying assumptions i.e. fuel prices, exchange rate variation, future tariff and operating parameters that would impact future cash flows for determining the value in use will continue to be monitored on a periodic basis by the Management.

(iii) The Group has investments in equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through Other Comprehensive Income. Based on a valuation report obtained from TTSL, the Group had reassessed the fair value of its investment in TTSL as at 30th September, 2016 and recorded fair value loss of ₹ 124.46 crore as at that date. In the absence of updated information, it has not been possible to revise the valuation as at 31st March, 2017 and consequently adjustments, if any, to the carrying value of investments in TTSL of ₹ 384.88 crore as at 31st March, 2017 have not been made.

(iv) During the year, DoCoMo had filed a petition before the Delhi High Court for implementation of the Arbitration Award related to its exercise of the 'put option' to the transfer of its entire shareholding in TTSL at a minimum predetermined price of ₹ 58.045 per share pursuant to which the Delhi High Court directed Tata Sons (as representative of the Tata Group) to deposit the damages including costs and interest in an escrow account. Accordingly, the Group deposited ₹ 790 crore with Tata Sons, being its share of the contractual obligation. On 28th April, 2017, the Delhi High Court ruled that the Arbitration Award is enforceable in India. Consequently, the Group has as at 31st March, 2017 written-off 'other advances' of ₹ 651.45 crore, being the difference between the fair value of equity shares of TTSL determined as at 30th September, 2016 and the consideration payable to DoCoMo deposited with Tata Sons. This has been disclosed as an exceptional item. The balance of ₹ 138.55 crore, which represents the fair value of shares receivable from DoCoMo based on a valuation as at 30th September, 2016, is being carried forward as Other Advance and included in Other Non-Current Financial Assets. As stated in note 34(iii) above, valuation of TTSL shares as at 31st March, 2017 is not available.

(v) The Group has a take-or-pay contract with Dagachhu Hydro Power Corporation Limited (DHPC) for a period of 25 years (upto March, 2040) for purchase of power from 126 MW run of the river hydro plant with a guaranteed base rate which is escalable 2% every calendar year. During the year, the Group incurred a loss as the power was sold at a rate lower than the guaranteed base rate. The lower rate realisation was on account of suppressed power market prices during the year, limited access to power market for power from outside the country, corridor constraint resulting in increase in transmission charges, etc.. The Management has assessed the profitability over the contract period based on the price estimates shared by third party expert upto FY 2040. The prices have been forecasted by third expert using statistical tools and models. Based on assessment carried out, Management is of the opinion that the contract would be profitable over a period of time and no provision needs to be made for onerous contract.

Notes to the Consolidated Financial Statements

35. Commitments:

	31st March, 2017 ₹ crore	31st March, 2016 ₹ crore	1st April, 2015 ₹ crore
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for:			
(i) the Group	1,579.21	*1,724.01*	*1,426.98*
(ii) Group's share of Joint Ventures	99.29	*739.35*	*1,144.17*
(iii) Group's share of Associates	82.15	*107.65*	*151.14*
(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	341.88	*442.61*	*520.78*
(ii) Vendor purchase commitments and contracts to provide future post sale services	539.82	*517.87*	*303.73*

(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, 2017, PFL and the Group would be entitled to be allotted 35.81% 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 ₹ 138.00 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

36. Contingent liabilities

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
a) Contingent liabilities			
Claims against the Group not acknowledged as debts consists of			
(i) Interest and penalty demand disputed by the Group relating to Entry tax claims for the financial years 2005-06 to 2012-13. [Refer Note (g) below]	1,967.43	*1,813.69*	*1,587.06*
(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	*Nil*	*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 ₹ 187.97 crore *(31st March, 2016 - ₹ 187.97 crore, 1st April, 2015 - ₹ 187.97 crore)*].	246.33	*246.33*	*246.33*
(iv)(a) Way Leave fees (including interest) claims disputed by the Group relating to rates charged.	84.18	*72.58*	*62.60*
(b) Demand raised by the Collector towards periodic revision in lease rent disputed by the Group	150.00	*Nil*	*Nil*
(v) Rates, Cess, Excise and Custom Duty claims disputed by the Group.	415.98	*371.03*	*308.95*
(vi) A Suit has been filed against the Group claiming compensation by way of damages for alleged wrongful disconnection of power supply.	Nil	*Nil*	*20.51*
Interest accrued thereon.	Nil	*Nil*	*120.60*
(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) In the case of the Group, disputes relating to power purchase agreements	246.47	*1,538.68*	*1,190.91*
(x) Other Claims	161.83	*104.25*	*171.72*
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.	17.93	*2,545.19*	*2,331.41*
(ii) Other claims	72.14	*81.26*	*79.02*
Group's share of Associates			
Other claims	539.03	*366.42*	*612.66*
	4,197.35	*7,166.46*	*6,758.80*

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.

Notes to the Consolidated Financial Statements

36. Contingent liabilities *(Contd.)*

b) Other Contingent Liabilities:

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
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 ₹ 12.57 crore *(31st March, 2016 - ₹ 12.38 crore, 1st April, 2015 - ₹ 14.43 crore)]*	428.25	*396.34*	*370.53*
Group's share of Joint Ventures	135.68	*778.87*	*874.07*
Group's share of Associates	466.23	*381.65*	*1,101.07*

c) Indirect exposures of the Group:

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
(i) Guarantees given to the lenders of joint Ventures for the borrowings availed			
Tubed Coal Mines Limited	11.36	*11.36*	*11.36*
Mandakini Coal Company Limited	20.26	*20.26*	*115.79*
Cennergi Pty. Limited	Nil	*46.72 (equivalent to ZAR 104.72 million)*	*257.07 (equivalent to ZAR 496.48 million)*

	31st March, 2017	*31st March, 2016*	*1st April, 2015*
(ii) The Group has pledged its shares of investments in joint ventures and others with the lenders for borrowings availed	Nos	*Nos*	*Nos*
Joint Ventures			
Powerlinks Transmission Limited	23,86,80,000	*23,86,80,000*	*23,86,80,000*
Industrial Energy Limited	12,56,74,200	*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*	*Nil*
Others			
Tata Teleservices Limited	18,27,08,138	*18,27,08,138*	*18,27,08,138*

(iii) The Group has also pledged 51% shares of CGPL and TPREL with the lenders for borrowings availed.

(d) The Group had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Group. They were further entitled to Retiral Benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Group and the DVB Employees Terminal Benefit Fund 2002 ('the Trust'). The Trust is of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death whichever is earlier. On 1st November, 2004, the Group entered into a Memorandum of Understanding with the Government of National Capital territory of Delhi (GNCTD) and a special Trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS RTBF, 2004 Trust) was created. This Trust was created to exclusively disburse retiral dues of the SVRS optees till these retirees attain the respective ages of superannuation or death, whichever is earlier, after which their dues were to be paid through the Trust already in existence.

Notes to the Consolidated Financial Statements

36. Contingent liabilities *(Contd.)*

For resolution of the issue through the process of law, the Group had filed a Writ, before the Hon'ble Delhi High Court. The Hon'ble Court pronounced its judgement on this issue on 2nd July, 2007 whereby while affixing liability on Discoms it has provided two options to the Discoms for paying Retiral benefits to the Trust:

(i) Retiral benefits other than pension (terminal benefits) due to the VSS optees and to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement / death (whichever is earlier) of such VSS optees. In addition, the Discoms shall pay the Retiral Pension to VSS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.

(ii) The Trust to pay the terminal benefits and all dues of the VSS optees and Discoms to pay to the trust an 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period.

The Group considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which is presently being followed. The Trust has been opposing it and had filed an appeal LPA No.677/2011 before division bench which was dismissed on 31st August, 2015. Till date no Arbitral Tribunal of Actuaries has been appointed. Pending computation of the liability by the Arbitral Tribunal of Actuaries due to delay in appointment of the same, no adjustment has been made in these financial statements.

While the writ petition was pending, the Group had already advanced ₹ 77.74 crore (*31st March, 2016 - ₹ 77.74 crore, 1st April, 2015 - ₹ 77.74 crore*) to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits / residual pension to the Trust, in pursuant to the order of the Hon'ble Delhi High Court dated 02.07.2007 in WP C 4827/2005, the Group has also paid interest @ 8% per annum ₹ 8.01 crore in FY 2008-09 totaling to ₹ 85.76 crore (*31st March, 2016 - ₹ 85.76 crore, 1st April, 2015 - ₹ 85.76 crore*) as recoverable from SVRS Trust in case of option "ii". As the Group was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Group had recovered/adjusted ₹ 83.82 crore (*31st March, 2016 - ₹ 82.81 crore, 1st April, 2015 - ₹ 81.60 crore*) from monthly pension, leave salary and other contribution, leaving a balance recoverable ₹ 1.94 crore as on 31st March, 2017 (*31st March, 2016 - ₹ 2.94 crore, 1st April, 2015 - ₹ 4.16 crore*) from the SVRS Trust which includes current portion of ₹ 1.03 crore for current year (*31st March, 2016 - ₹ 1.34 crore, 1st April, 2015 - ₹ 1.27 crore*).

Apart from this, the Group has also been paying the retiral benefit including pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral benefit including pension amount in its Aggregate Revenue Requirement (ARR) and the same has been charged to the statement of profit and loss amounting to ₹ 1.31 crore *(for the year ended 31st March, 2016 - ₹ 2.23 crore)*. In addition to this, during the year the Group has also recognised liability of ₹ 1.64 crore (*31st March, 2016 - ₹ 4.20 crore, 1st April, 2015 - ₹ Nil*) for retiral pension payable to the VSS optees till their respective date of normal retirement or death (whichever is earlier) based on actuarial valuation as at 31st March, 2017.

e) (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, 2017 the accumulated interest was ₹ 229.56 crore (*31st March, 2016 - ₹ 218.36 crore, 1st April, 2015 - ₹ 207.16 crore*) (₹ 11.20 crore for the year ended 31st March, 2017). 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 and hence, adjustments, if any, will be recorded by the Group on the final outcome of the matter.

Notes to the Consolidated Financial Statements

36. Contingent liabilities *(Contd.)*

(e) (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 36(e)(i) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 36(e)(i) above.

(f) The Group has filed a petition on 23rd November, 2012 with DERC for determination of the final generation tariff for the Rithala Plant under section 62 read with Part VII of the Electricity Act, 2003 and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2007 (from commercial operation date i.e. 5th February, 2011 to 31st March, 2012) and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011 (for MYT period FY 2013 to 2015). Pending determination of the final generation tariff during the period Rithala plant was operational DERC had provisionally allowed the power purchase cost at the rate equivalent to the Unschedule Interchange rates for units generated during the time when the Group was under-drawing from the grid and at average rate power purchased during the period when the Group was over-drawing from the grid, instead of the actual cost of generation. Further, no recovery of fixed cost had been allowed for the period when plant was not operational due to non-availability of gas.

Aggrieved by the approach adopted by the DERC for provisional/non-allowance of Rithala power purchase cost, the Group had preferred this issue in Appeal no 271/2013, 246/2014 and 301/2015 before the APTEL. During the reporting period Appeal no 271/2013 has been disposed off, wherein on the issue of Rithala power plant tariff, the DERC has been directed to release the tariff order within four months' time from the date of judgement i.e. 20th July, 2016. Though the time allowed in said appeal is already over but the DERC is still in the process of doing prudence checking and seeking all stakeholders comments vide public notice dated 25th February, 2017. Pending release of Tariff order, the Group has been continuing the billing from Rithala plant based on applicable regulations and also adjusted a sum of ₹ 321.19 crore on the ground of opinion of legal expert/ management , prudence and conservative approach. The next date of hearing of Appeal no 246/2014 and 301/2015 has been fixed for 15th May, 2017 and 11th May, 2017 respectively.

The Group has not made any adjustment to the carrying amount of regulatory deferral asset of ₹ 591.61 crore (net of provision of ₹ 321.19 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.

(g) The Group had received demands from various levels of sales tax departments in respect of entry tax on imports aggregating ₹ 2,213.64 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) for financial years 2005-06 to 2012-13. The Group paid ₹ 246.21 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, ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) will be accounted by the Group based on the final outcome of the matter (Refer Note 36(a)(i)).

37. 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 the matters.

Notes to the Consolidated Financial Statements

38. Employee benefit plan

1. Defined Contribution plan

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The providend fund contributions as specified under the law are paid to the provident fund trust or statutory providend fund authorities. In case of fund managed by trust, the Group 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 expenses in the year they are incurred. Having regard to the assets of the fund and the return on the investments, the Group does not expect any shortfall in the foreseeable future. In case of Group companies contributing to statutory provident fund authorities, they are liable for annual contribution, which is recognised as expense in the year it is incurred. The superannuation contribution is paid to the superannuation fund trust and is recognised as an expense in the year it is incurred.

The Group has recognised ₹ 60.89 crore *(31st March, 2016 - ₹ 47.87 crore)* for provident fund contributions and ₹ 10.77 crore *(31st March, 2016 - ₹ 10.60 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:

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. This is an unfunded Plan.

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 lump sum 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. This is an unfunded plan.

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 lump sum amount along with a sum determined based on the last drawn basic salary per month and the length of service. This is an unfunded plan.

Retirement Gift

The Group has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee. This is an unfunded plan.

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 Tustees 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.

Notes to the Consolidated Financial Statements

38. Employee benefit plan *(Contd.)*

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	**31st March, 2017**	***31st March, 2016***	***1st April, 2015***
Discount Rate/Expected Rate of Return on Plan Assets	6.90% to 7.51% p.a.	*7.56% to 8.20% p.a.*	*7.80% to 7.99% p.a.*
Salary Growth Rate	6% to 8% p.a.	*6% to 11% p.a.*	*6% to 11% p.a.*
Turnover Rate	8% to 15% 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, 2015	**245.67**	***(206.83)***	***38.84***
Current service cost	17.87	*Nil*	*17.87*
Past service cost	Nil	*Nil*	*Nil*
Interest Cost/(Income)	18.76	*(16.48)*	*2.28*
Amount recognised in statement of profit and loss	**36.63**	***(16.48)***	***20.15***
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost	Nil	*6.44*	*6.44*
Actuarial losses arising from changes in demographic assumptions	0.22	*Nil*	*0.22*
Actuarial losses arising from changes in financial assumptions	2.42	*Nil*	*2.42*
Actuarial (gains) arising from experience	(1.03)	*Nil*	*(1.03)*
Amount recognised in other comprehensive income	**1.61**	***6.44***	***8.05***
Employer contribution	Nil	*(5.93)*	*(5.93)*
Benefits paid	(19.34)	*1.13*	*(18.21)*
Acquisitions credit	0.57	*Nil*	*0.57*
Balance as at 31st March, 2016	**265.14**	***(221.67)***	***43.47***

Notes to the Consolidated Financial Statements

38. Employee benefit plan *(Contd.)*

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
Amount recognised in statement of profit and loss	**50.49**	**(18.00)**	**32.49**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in income	Nil	(12.78)	(12.78)
Actuarial losses arising from changes in demographic assumptions	0.14	Nil	0.14
Actuarial losses arising from changes in financial assumptions	14.75	Nil	14.75
Actuarial losses arising from experience	6.63	Nil	6.63
Amount recognised in other comprehensive income	**21.52**	**(12.78)**	**8.74**
Employer contribution	Nil	(27.01)	(27.01)
Benefits paid	(26.42)	0.95	(25.47)
Acquisitions cost	(2.35)	(0.05)	(2.40)
Balance as at 31st March, 2017	**308.38**	**(278.56)**	**29.82**

Composition of the plan assets is as follows:

Insurer Managed Funds*

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Unfunded Plan - Gratuity and Other Defined Benefit Plans:	Gratuity Amount ₹ crore	Other Defined Benefit Plans Amount ₹ crore
Balance as at 1st April, 2015	**9.19**	**62.22**
Current service cost	0.87	2.37
Past service cost	Nil	0.07
Interest Cost	0.74	3.46
Amount recognised in statement of profit and loss	**1.61**	**5.90**
Remeasurement (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	Nil	Nil
Actuarial (gains)/losses arising from changes in financial assumptions	(0.13)	0.97
Actuarial losses arising from experience	0.68	2.05
Amount recognised in other comprehensive income	**0.55**	**3.02**
Benefits paid	(0.32)	(5.06)
Acquisitions credit	0.49	Nil
Balance as at 31st March, 2016	**11.52**	**66.08**

Notes to the Consolidated Financial Statements

38. Employee benefit plan *(Contd.)*

	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	0.89	4.87
Amount recognised in statement of profit and loss	**5.36**	**7.95**
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	(0.20)
Amount recognised in other comprehensive income	**(1.36)**	**4.69**
Benefits paid	(1.28)	(5.99)
Acquisitions credit	0.46	Nil
Balance as at 31st March, 2017	14.70	72.73

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, 2017	*31st March, 2016*		31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*		31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Discount rate	0.50%	0.50%	Decrease by	15.87	*13.08*	Increase by	17.24	*14.24*
Salary/Pension growth rate	0.50%	0.50%	Increase by	16.46	*11.68*	Decrease by	15.30	*10.96*
Claim rates	5%	5%	Decrease by	18.20	*6.23*	Increase by	16.37	*5.26*
Mortality rates	20%	20%	Decrease by	3.81	*1.22*	Increase by	4.87	*1.40*
Healthcare cost	0.50%	0.50%	Increase by	1.97	*3.32*	Decrease by	1.77	*2.70*

The above sensitivity analyses are 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.

Notes to the Consolidated Financial Statements

38. Employee benefit plan *(Contd.)*

2.5 The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Within 1 year	29.10	*27.10*
Between 1 - 2 years	39.03	*36.32*
Between 2 - 3 years	45.15	*36.15*
Between 3 - 4 years	47.02	*42.01*
Between 4 - 5 years	47.35	*41.46*
Beyond 5 years	287.33	*249.05*

The weighted average duration of the defined benefit obligation is approximately 7 years (*31st March, 2016 - 7 years*).

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 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.

39. In respect of the contracts pertaining to the Strategic Engineering Business and Project Management Services of the Group, disclosures required as per Ind AS 11 are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 506.13 crore *(31st March, 2016 - ₹ 549.88 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2017 ₹ 1,042.45 crore *(31st March, 2016 - ₹ 935.78 crore)*.

(ii) Advances and progress payments received as at 31st March, 2017 ₹ 615.09 crore *(31st March, 2016 - ₹ 695.37 crore, 1st April, 2015 - ₹ 813.25 crore)*.

(iii) Retention money included as at 31st March, 2017 in Sundry Debtors ₹ 13.13 crore *(31st March, 2016 - ₹ 8.47 crore, 1st April, 2015 - ₹ 6.32 crore)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2017 ₹ 44.20 crore *(31st March, 2016 - ₹ 66.00 crore, 1st April, 2015 - ₹ 191.44 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2017 ₹ 370.03 crore *(31st March, 2016 - ₹ 240.40 crore, 1st April, 2015 - ₹ 191.89 crore)*.

Notes to the Consolidated Financial Statements

40. Financial Instruments

1. Financial Assets and Financial Liabilities

1.1 The carrying value and fair value of financial instruments by categories as at 31st March, 2017 is as follows:

₹ crore

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	Nil	Nil	Nil	835.22	835.22	835.22
Other balances with banks	Nil	Nil	Nil	119.08	119.08	119.08
Trade receivables	Nil	Nil	Nil	4,020.04	4,020.04	4,020.04
Investments #						
Equity and Others	1,010.18	980.56	Nil	Nil	1,990.74	1,990.74
Government Securities	Nil	Nil	Nil	386.18	386.18	397.84
Unbilled revenues	Nil	Nil	Nil	1,081.92	1,081.92	1,081.92
Loans	Nil	Nil	Nil	732.60	732.60	732.60
Finance Lease Receivables	Nil	Nil	Nil	612.63	612.63	612.63
Other financial assets	Nil	Nil	37.97	1,748.11	1,786.08	1,786.08
Total	**1,010.18**	**980.56**	**37.97**	**9,535.78**	**11,564.49**	**11,576.15**
Liabilities:						
Trade payables	Nil	Nil	Nil	5,564.57	5,564.57	5,564.57
Borrowings (includes current maturities)	Nil	Nil	Nil	48,815.41	48,815.41	49,050.73
Other financial liabilities	Nil	Nil	944.51	3,662.40	4,606.91	4,606.91
Total	**Nil**	**Nil**	**944.51**	**58,042.38**	**58,986.89**	**59,222.21**

The carrying value and fair value of financial instruments by categories as at 31st March, 2016 is as follows:

₹ crore

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	Nil	Nil	Nil	613.15	613.15	613.15
Other balances with banks	Nil	Nil	Nil	50.01	50.01	50.01
Trade receivables	Nil	Nil	Nil	3,730.24	3,730.24	3,730.24
Investments #						
Equity and Others	339.76	1,378.48	Nil	Nil	1,718.24	1,718.24
Government Securities	Nil	Nil	Nil	376.14	376.14	378.68
Unbilled revenues	Nil	Nil	Nil	842.64	842.64	842.64
Loans	Nil	Nil	Nil	800.64	800.64	800.64
Finance Lease Receivables	Nil	Nil	Nil	666.43	666.43	666.43
Other financial assets	Nil	Nil	92.71	1,086.19	1,178.90	1,178.90
Total	**339.76**	**1,378.48**	**92.71**	**8,165.44**	**9,976.39**	**9,978.93**
Liabilities:						
Trade payables	Nil	Nil	Nil	4,434.48	4,434.48	4,434.48
Borrowings (includes current maturities)	Nil	Nil	Nil	38,848.59	38,848.59	38,905.62
Other financial liabilities	Nil	Nil	931.79	2,849.96	3,781.75	3,781.75
Total	**Nil**	**Nil**	**931.79**	**46,133.03**	**47,064.82**	**47,121.85**

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

The carrying value and fair value of financial instruments by categories as at 1st April, 2015 is as follows:

₹ crore

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	Nil	Nil	Nil	977.23	977.23	977.23
Other balances with banks	Nil	Nil	Nil	64.27	64.27	64.27
Trade receivables	Nil	Nil	Nil	3,538.51	3,538.51	3,538.51
Investments #						
Equity and Others	430.35	1,641.35	Nil	Nil	2,071.70	2,071.70
Government Securities	Nil	Nil	Nil	357.14	357.14	357.14
Unbilled revenues	Nil	Nil	Nil	685.80	685.80	685.80
Loans	Nil	Nil	Nil	650.24	650.24	650.24
Finance Lease Receivables	Nil	Nil	Nil	703.60	703.60	703.60
Other financial assets	Nil	Nil	128.21	1,496.77	1,624.98	1,624.98
Total	**430.35**	**1,641.35**	**128.21**	**8,473.56**	**10,673.47**	**10,673.47**
Liabilities:						
Trade payables	Nil	Nil	Nil	2,886.91	2,886.91	2,886.91
Borrowings (includes current maturities)	Nil	Nil	Nil	40,379.53	40,379.53	40,444.32
Other financial liabilities	Nil	Nil	930.68	3,138.85	4,069.53	4,069.53
Total	**Nil**	**Nil**	**930.68**	**46,405.29**	**47,335.97**	**47,400.76**

Other than investments accounted for using the Equity Method.

Note:

Certain unquoted equity instruments 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, than reflecting changes in fair value immediately in profit or loss.

1.2 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, traded debentures and mutual funds that have quoted price.

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

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

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

The following table summarises 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) :

₹ crore

	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Government securities	397.84	Nil	Nil	397.84
Mutual funds	975.78	Nil	Nil	975.78
Equity Shares and others #				
Quoted	236.73	Nil	Nil	236.73
Unquoted	Nil	Nil	778.23	778.23
Derivative financial assets	Nil	37.97	Nil	37.97
Total	**1,610.35**	**37.97**	**778.23**	**2,426.55**
Financial liabilities:				
Debentures	11,971.45	Nil	Nil	11,971.45
Non-convertible cumulative redeemable preference shares	Nil	245.00	Nil	245.00
Derivative financial liabilities	Nil	944.51	Nil	944.51
Total	**11,971.45**	**1,189.51**	**Nil**	**13,160.96**

₹ crore

	Fair value hierarchy as at 31st March, 2016			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Government securities	*378.68*	*Nil*	*Nil*	*378.68*
Mutual funds	*311.38*	*Nil*	*Nil*	*311.38*
Equity Shares and others #				
Quoted	*398.78*	*Nil*	*Nil*	*398.78*
Unquoted	*Nil*	*Nil*	*1,008.08*	*1,008.08*
Derivative financial assets	*Nil*	*92.71*	*Nil*	*92.71*
Total	***1,088.84***	***92.71***	***1,008.08***	***2,189.63***
Financial liabilities:				
Debentures	*6,068.10*	*Nil*	*Nil*	*6,068.10*
Non-convertible cumulative redeemable preference shares	*Nil*	*245.00*	*Nil*	*245.00*
Derivative financial liabilities	*Nil*	*931.79*	*Nil*	*931.79*
Total	***6,068.10***	***1,176.79***	***Nil***	***7,244.89***

₹ crore

	Fair value hierarchy as at 1st April, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Government securities	*357.14*	*Nil*	*Nil*	*357.14*
Mutual funds	*409.18*	*Nil*	*Nil*	*409.18*
Equity Shares and others #				
Quoted	*425.32*	*Nil*	*Nil*	*425.32*
Unquoted	*Nil*	*Nil*	*1,237.20*	*1,237.20*
Derivative financial assets	*Nil*	*128.21*	*Nil*	*128.21*
Total	***1,191.64***	***128.21***	***1,237.20***	***2,557.05***
Financial liabilities:				
Debentures	*4,911.18*	*Nil*	*Nil*	*4,911.18*
Non-convertible cumulative redeemable preference shares	*Nil*	*245.00*	*Nil*	*245.00*
Derivative financial liabilities	*Nil*	*930.68*	*Nil*	*930.68*
Total	***4,911.18***	***1,175.68***	***Nil***	***6,086.86***

Other than investments accounted for using the Equity Method.

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

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

Level 1 The fair value of mutual funds, government securities, quoted equity shares and debentures is based on quoted price.

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

Level 3 The fair value of unquoted equity shares is determined using income approach (discounted cash flow), market observable price method, option pricing model, etc.

In case of investment in TTSL shares, in the absence of updated information as stated in Note 34(iii), the fair value has been determined based on third party valuation report obtained from TTSL as at 30th September, 2016.

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.

1.3 Reconciliation of level 3 fair value measurements

For the year ended 31st March, 2017 **₹ crore**

	Unlisted shares irrevocably designated as at FVTOCI	Unlisted shares irrevocably designated as at FVTPL
Opening balance	1,007.93	0.15
Total gains or (losses)	(131.80)	(0.01)
Held for sale/Disposals/Settlements	(98.04)	Nil
Closing balance	**778.09**	**0.14**

For the year ended 31st March, 2016 ₹ crore

	Unlisted shares irrevocably designated as at FVTOCI	Unlisted shares irrevocably designated as at FVTPL
Opening balance	*1,237.10*	*0.10*
Total gains or (losses)	*(229.17)*	*0.05*
Held for sale/Disposals/Settlements	*Nil*	*Nil*
Closing balance	***1,007.93***	***0.15***

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".

2. Capital Management & Gearing Ratio

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:

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Debt (i)	48,815.41	*38,848.59*	*40,379.53*
Cash and Bank balances (including cash and bank balances in a disposal Group held for sale)	954.30	*663.16*	*1,041.50*
Net debt	**47,861.11**	***38,185.43***	***39,338.03***
Total Equity (ii)	**15,148.46**	***14,883.19***	***14,658.73***
Net debt to equity ratio (%)	**315.95**	***256.57***	***268.36***

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus and non-controlling interests.

3. Financial risk management

In its ordinary operations, the Group's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Group has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks:

3.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the Group's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3.1.1 Foreign currency risk management

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the respective consolidated entities.

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.

The following table analyses foreign currency assets and liabilities on balance sheet dates:

Foreign Currency Liabilities	31st March, 2017		*31st March, 2016*		*1st April, 2015*	
	Foreign Currency (in millions)	₹ crore	*Foreign Currency (in millions)*	*₹ crore*	*Foreign Currency (in millions)*	*₹ crore*
In USD	1,770.54	11,481.98	*1,467.22*	*9,719.95*	*1,404.80*	*8,779.65*
In EURO	8.04	55.73	*13.86*	*104.45*	*12.39*	*83.28*
In GBP	3.63	29.38	*8.17*	*77.98*	*9.24*	*85.45*
In JPY	26.83	1.56	*40.04*	*2.36*	*188.42*	*9.82*
In SGD	0.45	2.89	*0.57*	*3.78*	*0.73*	*4.57*
In ZAR	Nil	Nil	*0.11*	*0.75*	*Nil*	*Nil*
In AUD	Nil	Nil	*Nil*	*0.01*	*Nil*	*Nil*

Foreign Currency Liabilities	31st March, 2017		*31st March, 2016*		*1st April, 2015*	
	Foreign Currency (in millions)	₹ crore	*Foreign Currency (in millions)*	*₹ crore*	*Foreign Currency (in millions)*	*₹ crore*
In USD	4.52	29.33	*9.03*	*59.82*	*2.00*	*12.51*
In EURO	0.17	1.17	*0.01*	*0.10*	*0.01*	*0.09*
In GBP	0.06	0.46	*Nil*	*Nil*	*Nil*	*Nil*
In ZAR	1.29	7.10	*1.29*	*4.11*	*Nil*	*Nil*
In SGD	0.63	4.03	*0.83*	*5.51*	*0.91*	*5.68*
In VND	77.48	0.01	*11.24*	***	*Nil*	*Nil*
In AUD	0.26	1.71	*0.60*	*3.98*	*0.79*	*4.93*
In IDR	0.03	0.18	*0.04*	*0.24*	*0.04*	*0.24*
In TAKA	0.21	0.02	*0.21*	*0.02*	*0.22*	*0.02*

* Denotes figures below ₹ 50,000/-.

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

(a) Foreign currency sensitivity analysis

For the year ended March 31, 2017 and 31st March, 2016, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar on Profit before tax of the Group, given in below table.

	As at 31st March, 2017		*As at 31st March, 2016*	
	Rupee depreciate by INR 1 against USD	**Rupee appreciate by INR 1 against USD**	***Rupee depreciate by INR 1 against USD***	***Rupee appreciate by INR 1 against USD***
On Forward and Option Contracts...	(+) ₹ 106.58 crore	(-) ₹ 106.96 crore	*(+) ₹ 69.47 crore*	*(-) ₹ 68.14 crore*
On Foreign Currency Liabilities (net) (Refer Note 2 below)	(-) ₹ 176.60 crore	(+) ₹ 176.60 crore	*(-) ₹ 145.82 crore*	*(+) ₹ 145.82 crore*

Notes:

1) +/- Gain/Loss

2) The impact of depreciation/ appreciation on foreign currency other than U.S. Dollar on profit before tax of the Group is not material.

(b) 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 marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts		**31st March, 2017**		
	Buy/Sell	**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)

Outstanding Contracts		***31st March, 2016***		
	Buy/Sell	***Foreign Currency (in millions)***	***Nominal Value in ₹ crore***	***Fair Value in ₹ crore***
Other Derivatives				
Forward contract				
In USD..	Buy	*499.00*	*3,305.75*	*(54.43)*
In EURO..	Buy	*12.45*	*93.81*	*2.08*
In GBP..	Buy	*8.06*	*76.94*	*(2.29)*
In JPY..	Buy	*30.94*	*1.82*	*0.13*
Option contract				
In USD..	Buy	*645.51*	*4,276.32*	*54.83*

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

Outstanding Contracts	Buy/Sell	*1st April, 2015* Foreign Currency (in millions)	Nominal Value in ₹ crore	Fair Value in ₹ crore
Other Derivatives				
Forward contract				
In USD	Buy	*545.84*	*3,411.38*	*(21.92)*
In EURO	Buy	*11.92*	*80.09*	*(2.85)*
In GBP	Buy	*6.57*	*60.74*	*(1.26)*
In JPY	Buy	*81.36*	*4.24*	*(0.01)*
Option contract				
In USD	Buy	*595.22*	*3,719.95*	*64.46*

3.1.2 Interest rate risk management

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Group in the reporting period or in future years.

(a) 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:

	As at 31st March, 2017		*As at 31st March, 2016*	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(+) ₹ 110.26 crore	(-) ₹ 110.26 crore	*(+) ₹ 107.14 crore*	*(-) ₹ 107.14 crore*
Effect on profit before tax	(-) ₹ 110.26 crore	(+) ₹ 110.26 crore	*(-) ₹ 107.14 crore*	*(+) ₹ 107.14 crore*

(b) 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 2017	Nominal amounts	4,101.76	2,432.36	4,086.14
	Fair value assets (liabilites)	17.06	(51.18)	(429.66)
31st March 2016	Nominal amounts	*2,699.59*	*1,906.66*	*5,316.60*
	Fair value assets (liabilites)	*(12.10)*	*(96.29)*	*(731.01)*
31st March 2015	Nominal amounts	*5,546.65*	*1,915.40*	*5,481.52*
	Fair value assets (liabilites)	*(12.77)*	*(107.72)*	*(720.40)*

3.2 Credit risk management

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial assets that potentially expose the Group to credit risks are listed below:

₹ crore

	31st March 2017	*31st March 2016*	*1st April 2015*
Trade receivable	4,020.04	*3,730.24*	*3,538.51*
Loan receivable	732.60	*800.64*	*650.24*
Finance Lease Receivables	612.63	*666.43*	*703.60*
Other financial assets	1,786.08	*1,178.90*	*1,624.98*
Total	**7,151.35**	***6,376.21***	***6,517.33***

Refer Note 7.1 for credit risk and o ther 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.

Notes to the Consolidated Financial Statements

40. Financial Instruments *(Contd.)*

3.3 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 corporate treasury department is responsible for maintaining funding limit to ensure liquidity. The maturity profile of the financial assets are listed below:

Expected contractual maturity for Financial Liabilities

₹ crore

	Upto 1 year	1 to 5 years	5+ years	Total	Carrying Value
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	2,227.36	40.38	502.51	2,770.25	2,770.25
Total Non-Derivative Liabilities	**25,099.57**	**24,326.71**	**29,093.00**	**78,519.28**	**58,042.38**
Derivatives					
Other Financial Liabilities	944.51	Nil	Nil	944.51	944.51
Total Derivative Liabilities	**944.51**	**Nil**	**Nil**	**944.51**	**944.51**
31st March, 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	*1,709.40*	*40.81*	*530.76*	*2,280.97*	*2,280.97*
Total Non-Derivative Liabilities	***14,733.93***	***22,387.17***	***29,518.52***	***66,639.62***	***46,133.03***
Derivatives					
Other Financial Liabilities	*931.79*	*Nil*	*Nil*	*931.79*	*931.79*
Total Derivative Liabilities	***931.79***	***Nil***	***Nil***	***931.79***	***931.79***
1st April, 2015					
Non-Derivatives					
Borrowings #	*11,382.16*	*22,688.77*	*26,093.04*	*60,163.97*	*40,861.54*
Trade Payables	*2,856.99*	*29.92*	*Nil*	*2,886.91*	*2,886.91*
Other Financial Liabilities	*2,131.01*	*37.73*	*488.10*	*2,656.84*	*2,656.84*
Total Non-Derivative Liabilities	***16,370.16***	***22,756.42***	***26,581.14***	***65,707.72***	***46,405.29***
Derivatives					
Other Financial Liabilities	*930.68*	*Nil*	*Nil*	*930.68*	*930.68*
Total Derivative Liabilities	***930.68***	***Nil***	***Nil***	***930.68***	***930.68***

Notes:

\# 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 obligations from operating cash flows and proceeds of maturing financial assets.

In case of borrowings availed by the Group for its project at Mundra, the Group was unable to comply with certain financial covenants for the reported periods and accordingly non-current portion of ₹ 9,112.21 crore *(31st March, 2016 - ₹ 9,886.97 crore, 1st April, 2015 - ₹ 10,127.30 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

41. 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 (w.e.f. 29th April, 2015)
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.

Subsidiaries and Jointly Controlled Entities of Promoters (where transactions have taken place during the year and previous year / balances outstanding) :

1) Drive India Enterprise Solutions Limited (ceased w.e.f. 01.09.2015)
2) e-Nxt Financials Limited (merged with Tata Business Support Services Limited, the Appointed date i.e. 01.04.2014, Effective date: 01.07.2015)

Notes to the Consolidated Financial Statements

41. Related Party Disclosures: *(Contd.)*

(c)		3) Ewart Investments Limited
		4) Tata Africa Holdings (SA) (Proprietary) Limited
		5) Tata AG, Zug
		6) Tata AIG General Insurance Company Limited
		7) Tata Business Support Services Limited
		8) Tata Capital Limited
		9) Tata Consultancy Services Limited
		10) Tata Consulting Engineers Limited
		11) Tata Housing Development Company 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 (w.e.f. 02.02.2017)
		17) Tata Teleservices Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017)
		18) TC Travel and Services Limited
		19) THDC Management Services Limited (formerly THDC Facility Management Limited)
		20) CMC Limited (Amalgamated with Tata Consultancy Services Limited. Effective Date: 01.10.2015. Appointed Date: 01.04.2015)
		21) Tata Cleantech Capital Limited
		22) Tata Sky Limited
		23) Tata Capital Financial Services Limited
		24) Tata International Limited
		25) Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
		26) C-Edge Technologies Limited
		27) TC Travel and Services Limited
		28) Tata Asset Management Limited
		29) Infiniti Retail Limited
		30) Tata Advanced Materials Limited
(d)	Key Management Personnel	1) Anil Sardana - CEO & Managing Director
		2) Ashok Sethi - COO & Executive Director
		3) Ramesh Subramanyam - Chief Financial Officer

Notes to the Consolidated Financial Statements

41. 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)	131.74	3,316.92	-	-	0.03	-
	96.33	*2,637.65*	-	-	*0.44*	-
Sale of goods/power (Net of Discount on Prompt Payment)	51.18	-	-	-	46.40	-
	47.63	*0.09*	-	-	*55.65*	-
Purchase of fixed assets	2.67	0.01	-	-	7.75	6.77
	8.44	-	-	-	*7.41*	-
Rendering of services	14.04	403.31	-	-	10.76	0.56
	10.52	*458.88*	-	-	*9.87*	*0.52*
Receiving of services	21.17	-	-	-	55.69	0.73
	23.20	*0.08*	-	-	*105.25*	*0.52*
Brand equity contribution	-	-	-	-	-	19.66
	-	-	-	-	-	*23.93*
Contribution to Employee Benefit Plans	-	-	-	62.15	-	-
	-	-	-	*38.89*	-	-
Guarantee, collaterals etc. cancelled	-	50.05 $	-	-	-	-
	-	*283.16 $*	-	-	-	-
Remuneration paid	-	-	13.89 !	-	-	-
	-	-	*11.30 !*	-	-	-
Interest income	0.64	22.98	-	-	-	-
	0.01	*44.79*	-	-	*0.07*	-
Interest paid	0.17	38.68	-	-	16.28	-
	0.09	*64.43*	-	-	*15.71*	-
Dividend received	12.52	490.43	-	-	-	-
	12.26	*211.93*	-	-	*0.05*	*16.02*
Dividend paid	-	-	-	-	1.85	109.17
	-	-	-	-	*4.18*	*106.84*
Guarantee commission earned	-	1.23	-	-	-	-
	-	*1.31*	-	-	-	-
Loans given	-	59.21	-	-	-	-
	-	*186.82*	-	-	*16.84*	-
Equity contribution (includes advance towards equity contribution and perpetual bonds)	-	0.15	-	-	-	-
	-	*33.06*	-	-	-	-
Sale of Investments	-	-	-	-	-	83.28
	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

41. Related Party Disclosures: *(Contd.)*

(e) Details of Transactions:

₹ crore

Particulars		Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Loans repaid (including loan converted into equity)		-	128.53	-	-	-	-
		-	*147.90*	-	-	*16.55*	-
Deposits taken		0.81	-	-	-	8.11	-
		-	-	-	-	*8.86*	-
Deposits refunded		-	-	-	-	7.74	-
		-	-	-	-	*18.07*	-
Deposit given		-	-	-	-	-	-
		20.00	-	-	-	-	-
Deposit received back		20.00	-	-	-	-	-
		-	-	-	-	-	-
Purchase of Investments		-	38.17	-	-	0.20	-
		-	*209.21*	-	-	*312.29*	-
Loan taken		-	380.00	-	-	-	-
		-	*18.66*	-	-	-	-
Balances outstanding							
Perpetual Securities Outsanding (including interest thereon)	2017	-	-	-	-	136.17	-
	2016	-	-	-	-	*136.21*	-
	2015	-	-	-	-	*136.17*	-
Other receivables	2017	7.74	153.24	-	1.94	15.47	-
	2016	*5.00*	*351.70*	-	*2.94*	*9.50*	-
	2015	*8.22*	*129.57*	-	*4.16*	*13.59*	-
Loans given (including interest thereon)	2017	1.27	736.30	-	-	-	-
	2016	*1.27*	*801.30*	-	-	-	-
	2015	*1.27*	*645.38*	-	-	-	-
Loans provided for as doubtful advances (including interest thereon)	2017	1.27	-	-	-	-	-
	2016	*1.27*	-	-	-	-	-
	2015	*1.27*	-	-	-	-	-
Deposits taken outstanding	2017	1.53	-	-	-	9.33	-
	2016	*0.72*	-	-	-	*8.99*	-
	2015	*0.74*	-	-	-	*18.15*	-

Notes to the Consolidated Financial Statements

41. Related Party Disclosures: *(Contd.)*

(e) Details of Transactions:

₹ crore

		Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Deposits given outstanding	2017	-	-	-	-	-	-
	2016	*20.00*	-	-	-	-	-
	2015	-	-	-	-	-	-
Security deposits given	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	*0.50*
Dividend receivable	2017	-	-	-	-	-	-
	2016	-	*8.64*	-	-	-	-
	2015	-	-	-	-	-	-
Guarantees, collaterals etc. outstanding	2017	-	31.62	-	-	-	-
	2016	-	*78.34*	-	-	-	-
	2015	-	*384.22*	-	-	-	-
Letter of comfort outstanding	2017	-	77.47	-	-	-	-
	2016	-	*71.54*	-	-	-	-
	2015	-	*83.03*	-	-	-	-
Other payables	2017	9.46	1,841.15	-	17.23	6.10	23.51
	2016	*5.13*	*1,274.86*	-	*34.66*	*1.86*	*27.53*
	2015	*5.41*	*264.43*	-	*28.69*	*5.30*	*26.96*
Loans taken (including interest thereon)	2017	-	2,296.95	-	-	-	-
	2016	-	*2,147.46*	-	-	-	-
	2015	-	*2,026.34*	-	-	-	-

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

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 comprises of Power and Others.

Specifically, the Group's reportable segments under Ind AS are as follows:

Power: Comprises of Generation, Transmission, Distribution and Trading of power and related activities

Others: Comprises of Defence Electronics, Solar Equipment, Project Contracts/Infrastructure Management Services, Investment 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.

42.1 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	Inter Segment Revenue	Total
REVENUE				
External Revenue	24,879.40	3,205.88	797.02	27,288.26
	26,184.34	*2,397.78*	*56.47*	*28,525.65*
RESULT				
Total Segment Results	3,158.22	308.96		3,467.18
	4,480.56	*170.12*		*4,650.68*
Finance Costs				(3,113.97)
				(3,235.81)
Exceptional Item - Power Business				Nil
				2,435.51
Exceptional Item - Unallocable				(651.45)
				(2,533.35)
Unallocable Expense net of Unallocable Income				(16.31)
				(36.32)
Income Taxes				45.82
				(680.31)
Net Profit/(Loss) for the year before share of net Profit of Associates and Joint Ventures accounted for using equity method				(268.73)
				600.40
Share of net Profit of Associates and Joint Ventures accounted for using equity method				1,217.29
				185.99
Profit for the year				948.56
				786.39
OTHER INFORMATION				
Segment Assets	62,266.42	4,116.79		66,383.21
	52,946.21	*3,117.77*		*56,063.98*
Unallocable Assets				15,753.14
				13,995.73
Total Assets				82,136.35
				70,059.71

Notes to the Consolidated Financial Statements

42. Segment Reporting: *(Contd.)*

₹ crore

	Power	Others	Inter Segment Revenue	Total
Segment Liabilities	12,700.73	1,465.82		14,166.55
	11,484.52	*1,096.15*		*12,580.67*
Unallocable Liabilities				52,821.34
				42,595.85
Total Liabilities				66,987.89
				55,176.52
Capital Expenditure	2,970.00	352.27		3,322.27
	1,895.53	*281.32*		*2,176.85*
Non-cash Expenses other than Depreciation/ Amortisation (to the extent allocable to segment)	27.36	50.69		78.05
	136.97	*17.32*		*154.29*
Depreciation/Amortisation (to the extent allocable to segment)	1,906.07	82.52		1,988.59
	1,575.82	*72.91*		*1,648.73*

42.2 Reconciliation of Revenue

	31st March, 2017 ₹ crore	***31st March, 2016 ₹ crore***
Revenue from Operations (Net)	27,897.72	*29,500.89*
Less: Regulatory expense (net)	(686.46)	*(807.97)*
Add/(Less): Regulatory income/(expense) (net) in respect of earlier years	77.00	*(167.27)*
Total Segment Revenue as reported above	27,288.26	*28,525.65*

Note: Previous year's figures are in italics

42.3 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

Particulars	**Domestic**	**Overseas**	**Total**
Revenue from External Customers	27,041.50	246.76	27,288.26
	28,372.67	*152.98*	*28,525.65*
Segment Assets			
Non-Current Assets	50,445.34	1,283.55	51,728.89
	40,088.69	*1,190.88*	*41,279.57*
Current Assets	8,072.66	100.31	8,172.97
	7,347.59	*102.54*	*7,450.13*
Regulatory Deferral Account - Assets	6,481.35	Nil	6,481.35
	7,334.28	*Nil*	*7,334.28*
Total Segment Assets	64,999.35	1,383.86	66,383.21
	54,770.56	*1,293.42*	*56,063.98*
Unallocable Assets			15,753.14
			13,995.73
Total Assets			82,136.35
			70,059.71
Capital Expenditure	3,141.46	180.81	3,322.27
	2,088.91	*87.94*	*2,176.85*

Note: Previous year's figures are in italics.

Notes to the Consolidated Financial Statements

43. Earnings Per Share:

	31st March, 2017	*31st March, 2016*
Basic earnings per share		
Profit for the year attributable to Owners of the Company (₹ crore)	745.48	*662.20*
Less: Distribution on Unsecured Perpetual Securities (Net of Tax) (₹ crore)	111.82	*111.82*
Net profit for the year attributable to Owners of the Company (₹ crore)	633.66	*550.38*
The weighted average number of equity shares for basic earnings per share (Nos.)	270,76,05,570	*270,76,05,570*
Par value per share (in ₹)	1.00	*1.00*
Basic earnings per share (in ₹)	2.34	*2.03*
Diluted earning per share (in ₹)	2.34	*2.03*

Note : The Company did not have any potentially dilutive securities in any of the period presented.

44. Disclosure in terms of G.S.R.307(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs, Government of India

The details of Specified Bank Notes (SBN) held and transacted by the Group during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below :

	Specified Bank notes ₹ crore	Other denomination notes ₹ crore	Total ₹ crore
Closing cash in hand as on 8th November, 2016	2.46	0.45	2.91
Add : Permitted receipts	130.14	30.46	160.60
Less : Permitted payments	-	0.05	0.05
Less : Amount deposited in Banks	132.58	29.68	162.26
Closing cash in hand as on 30th December, 2016	0.02	1.18	1.20

During the period from 10th November, 2016 to 15th December 2016, the electricity distribution business of the Group was allowed to receive SBNs as a legal tender from its customers towards payment of their electricity dues. The Group has designated collection centres which are permitted to receive cash from its customers. Cash collected at these centres is directly deposited into Group's Bank accounts. The Group has received details of SBNs deposited from respective banks and has considered amount collected as equivalent to amount deposited.

45 Business Combinations

45.1 Subsidiaries Acquired:

₹ crore

Name of the acquired Subsidiaries	Principal Activity	Date of Acquisition	Proportion of voting equity interest acquired	Consideration transferred
Indo Rama Renewable Jath Ltd. (IRRJL)	Wind Energy Generation	19th May, 2016	100%	84.13
Welspun Renewable Energy Private Ltd. (WREPL)	Renewable Energy Generation	14th September, 2016	100%	3,782.30
Welspun Urja India Ltd. (WUIL)	Energy Generation	30th January, 2017	100%	3.76
Total				**3,870.19**

The above subsidiaries were acquired so as to continue the expansion of the Group's activities into renewables energy portfolio.

Notes to the Consolidated Financial Statements

45 Business Combinations *(Contd.)*

45.2 Consideration transferred

₹ crore

	IRRJL	WREPL	WUIL	Total
Cash paid (Excluding acquisition cost)	84.13	3,604.74	3.76	3,692.63
Contingent Consideration	Nil	177.56	Nil	177.56
	84.13	**3,782.30**	**3.76**	**3,870.19**

Under the Contingent Consideration arrangement, the Group is required to pay additional consideration of ₹ 177.56 crore to the transferor, if the transferor comply with the certain conditions which are mainly project completion, actual realisation of working capital and Plant Load Factor (PLF) Incentives, the majority of which is expected to be completed within the year of arrangement. ₹ 177.56 crore represents the estimated fair value of this obligation at the acquisition date.

Acquisition related costs amounting to ₹ 21.31 crore have been excluded from the consideration transferred and have been recognised as an expenses in profit and loss in the current year, within the "Other expenses" line item.

45.3 Assets acquired and liabilities recognised at the date of acquisition

₹ crore

	IRRJL	WREPL	WUIL	Total
Current assets				
Cash and Cash Equivalents	0.04	57.73	0.03	57.80
Bank balances other than above	Nil	74.26	Nil	74.26
Current Investments	7.36	30.16	Nil	37.52
Trade and other receivables	20.83	410.65	0.13	431.61
Inventories	Nil	21.02	Nil	21.02
Non-Current assets				
Property, Plant and Equipment	187.70	5,462.30	4.57	5,654.57
Capital Work-in-Progress	Nil	406.74	Nil	406.74
Deferred Tax Assets	0.67	36.13	Nil	36.80
Intangible Assets	12.90	1,372.60	Nil	1,385.50
Other Non-Current Assets	Nil	391.95	Nil	391.95
Current Liabilities				
Trade and other Payables	(0.81)	(395.72)	(18.72)	(415.25)
Borrowings	Nil	(3.95)	Nil	(3.95)
Non-Current liabilities				
Deferred Tax Labilities	(8.05)	(262.60)	Nil	(270.65)
Other Non-Current Payables	NIl	(8.23)	(2.30)	(10.53)
Borrowings	(149.61)	(5,493.63)	Nil	(5,643.24)
Net identifiable assets acquired	**71.03**	**2,099.41**	**(16.29)**	**2,154.15**
Consideration transferred	84.13	3,782.30	3.76	3,870.19
Add: Non-Controlling Interest	Nil	30.95	(20.05)	10.90
Less: fair value of identifiable net assets acquired	(71.03)	(2,099.41)	16.29	(2,154.15)
Goodwill arising on acquisition	**13.10**	**1,713.84**	**Nil**	**1,726.94**

Goodwill arose in the acquisition of above subsidiaries because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of acquired subsidiaries. These benefits are not recognised separately from goodwill because they do not meet the recognised criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purpose.

Notes to the Consolidated Financial Statements

45 Business Combinations (*Contd.)*

45.4 Net cash outflow on acquisition of subsidiaries

₹ crore

	31st March, 2017
Consideration paid in cash	3,692.63
Less: Cash and cash equivalent balance acquired	(57.80)
	3,634.83

45.5 Impact of acquisitions on the results of the Group

From the date of acquisition, these companies have contributed ₹ 667.31 crore of revenue and ₹ 105.88 crore to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 28,318.33 crore and loss before tax of the group would have been ₹ 351.46 crore.

46 Explanation of Transition to Ind AS effect of Ind AS adoption:

46.1 First-time adoption-mandatory exceptions, optional exemptions

a. **Overall principle**

The Group has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group as detailed below.

b. **Derecognition of financial assets and liabilities**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. **Classification of debt instruments**

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

d. **Deemed cost for PPE, investment property and intangible assets**

The Group has elected to restate retrospectively generally all its property, plant and equipment and intangible assets as per the Ind AS 16, except for certain freehold land, Plant & Equipment and Buildings which have been accounted at fair value as deemed cost on transition date (as at 1st April, 2015).

e. **Determining whether an arrangement contains a lease**

The Group has applied Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

f. **Cumulative translation differences on foreign operations**

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

g. **Equity investments at FVTOCI**

The Group has designated investment in equity shares of its non- current investments as FVTOCI on the basis of facts and circumstances that existed at the transition date.

h. **Business Combination**

The Group has elected not to apply Ind AS 103 i.e. Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April, 2015.

Notes to the Consolidated Financial Statements

46 Explanation of Transition to Ind AS effect of Ind AS adoption *(Contd.):*

46.2 Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015.

₹ crore

	Notes	As at 31st March, 2016	As at 1st April, 2015
Equity under previous GAAP attributable to:			
Shareholders of the Company		14,613.92	14,042.05
Non-Controlling Interest $	(a)	2,082.08	1,988.92
Equity under previous GAAP		**16,696.00**	**16,030.97**
Restatement of a financial statements by a Joint venture due to waiver of interest on loan in previous year given to other Joint venture		(161.20)	Nil
Equity as restated under previous GAAP		**16,534.80**	**16,030.97**
Arrangements accounted as finance lease and service concession arrangements	(b)	261.27	314.73
Decapitalisation of foreign exchange losses and borrowing cost, net of depreciation	(c)	(933.22)	(766.45)
Fair Value as deemed cost for certain property, plant and equipment	(d)	140.03	140.03
Changes in fair value of derivative contracts	(e)	(702.60)	(714.89)
Impact on account of Joint Venture accounted as held for sale	(f)	155.36	19.58
Ind AS adjustments on share of profit of associates and joint ventures	(c), (e)(g) & (q)	(712.96)	(621.97)
Preference Shares held by Non-controlling shareholders now classified as debt	(h)	(274.40)	(274.40)
Increase in borrowing cost pursuant to application of effective interest rate	(i)	(25.68)	(35.99)
Derecognition of service line charges as income, now to be amortised over useful life of asset	(j)	(180.45)	(168.09)
Effect of measuring Fair value of investments	(k)	433.53	698.56
Others	(l)	69.81	35.30
Tax on above adjustments	(m)	(466.74)	(429.99)
Dividend on equity shares and perpetual securities including tax thereon	(n)	447.20	431.34
Other comprehensive income	(o)	137.24	Nil
Equity under Ind AS		**14,883.19**	**14,658.73**
Attributable to:			
Shareholders of the Company		13,133.38	12,970.34
Non-Controlling Interest		1,749.81	1,688.39

$ Excluding non-controlling interest in subsidiaries now classified as joint ventures

Notes to the Consolidated Financial Statements

46 Explanation of Transition to Ind AS effect of Ind AS adoption *(Contd.):*

46.3 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016.

₹ crore

	Notes	As at 31st March, 2016
Profit after tax reported under previous GAAP $	(a)	**1,058.80**
Restatement of a financial statements by a Joint venture due to waiver of interest on loan in previous year given to other Joint venture		(161.20)
Profit after tax as restated under previous GAAP		**897.60**
Arrangements accounted as finance lease and service concession arrangements	(b)	(53.46)
Decapitalisation of foreign exchange losses and borrowing cost, net of depreciation	(c)	(166.77)
Changes in fair value of derivative contracts	(e)	12.29
Impact on account of Joint Venture accounted as held for sale	(f)	135.78
Ind AS adjustments on share of profit of associates and joint ventures	(c), (g) & (e)	12.71
Dividend on Preference Shares held by Non-controlling shareholders now classified as debt	(h)	(29.40)
Transfer to contingencies reserve fund through Statement of Profit and Loss		(21.00)
Others	(i), (j) & (l)	32.46
Tax on above adjustments	(m)	(33.82)
Profit after tax as per Ind AS		**786.39**
Other comprehensive expenses (net of tax)	(k), (o) & (p)	(23.77)
Total Comprehensive Income reported under Ind AS		**762.62**
Attributable to:		
Shareholders of the Company		638.79
Non-Controlling Interest		123.83

$ Excluding non-controlling interest in subsidiaries now classified as joint ventures

46.4 Effect of Ind AS adoption on the Consolidated Statement of Cash Flow for the year ended 31st March, 2016.

	For the year ended 31st March, 2016		
	Previous GAAP * ₹ crore	Effect of Transition to Ind AS [Refer Note (a)] ₹ crore	Ind AS ₹ crore
Net Cash flow from/(used in) operating activities	9,753.55	(2,338.43)	7,415.12
Net Cash flow from/(used in) investing activities	(4,476.66)	2,658.56	(1,818.10)
Net Cash flow used in financing activities	(5,567.96)	(615.49)	(6,183.45)
Net decrease in cash and cash equivalents	(291.07)	(295.36)	(586.43)
Cash and Cash equivalents at the beginning of the period	1,261.64	(448.30)	813.34
Cash and Cash Equivalents Acquired on Acquisition of Subsidiary and Joint Ventures	4.77	(4.77)	Nil
Effects of exchange rate changes on the balance of cash held in foreign currencies	33.75	(20.87)	12.88
Cash and Cash equivalents at the end of the year	1,009.09	(769.30)	239.79

Notes to the Consolidated Financial Statements

46 Explanation of Transition to Ind AS effect of Ind AS adoption *(Contd.):*

Analysis of cash and cash equivalents as at 31st March, 2016 and as at 1st April1, 2015 for the purposes of statement of cash flow under Ind AS

	Notes	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP		**1,009.09**	**1,261.64**
Bank Overdrafts		(373.36)	(163.89)
Cash and Cash equivalents of Joint Ventures entities proportionately considered under previous GAAP	(a)	(391.84)	(278.56)
Cash and Cash equivalents of Industrial Energy Ltd. proportionately considered under previous GAAP	(a)	(3.76)	(3.22)
Cash and Cash equivalents of Dugar Hydro Power Ltd. proportionately considered under previous GAAP	(a)	(0.05)	(0.02)
Cash and Cash equivalents of Powerlinks Transmission Ltd. proportionately considered under previous GAAP	(a)	(0.29)	(2.61)
Cash and Cash equivalents for the purpose of cash flow statement under Ind AS		**239.79**	**813.34**

46.5 Notes to reconciliations between Previous GAAP and Ind AS

(a) Under previous GAAP, Industrial Energy Ltd., Powerlinks Transmission Ltd., Dugar Hydro Power Ltd. and all Joint Ventures were consolidated line by line. Under Ind AS these entities are consolidated based on equity method.

(b) Under previous GAAP, finance lease arrangement is recorded based on the legal form. Whereas under Ind AS arrangement that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.

(c) Under the previous GAAP the Group had adopted para 46 of AS-11 and capitalised exchange gain/loss. Whereas in Ind AS the Group has adopted Ind AS cost for most of its Property, Plant and Equipment, hence exchange gain/loss is recognised in opening reserve and changes thereafter are recognised in statement of profit and loss or other comprehensive income, as the case may be.

(d) Under Ind AS, the Group has elected to fair value its certain Freehold Land, Plant and Machinery and Building and use that fair value in its opening Ind AS Balance Sheet as at 1 April, 2015 as deemed cost. Accordingly, difference between the fair value and carrying amount reported under previous GAAP of certain freehold land and Plant and Machinery has been credited to retained earnings.

(e) Under previous GAAP, the net mark-to market losses on derivative financial instruments, as at the Balance Sheet date, were recognised in statement of profit and loss and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the changes are recognised in statement of profit and loss.

(f) Under Ind AS, one of the Joint Ventures has been classified as held for sale and hence the impact on Profit / Loss of the Joint Ventures has been reversed.

(g) Under previous GAAP, the long term provisions were recognised at undiscounted amount in respect of certain Joint Ventures entities. Under Ind AS, such provisions are recognised at discounted amount.

(h) Under previous GAAP, redeemable non-convertible preference shares issued by the Group were classified as equity. Under Ind AS, such redeemable non-convertible preference shares have been classified as Financial Liabilities.

(i) Under previous GAAP, loan processing fees/ transaction cost were expensed when incurred, whereas, under Ind AS, it is considered for calculating effective interest rate and the impact for the periods subsequent to the date of transition is accounted in the statement of profit and loss.

(j) Under previous GAAP, service line charges were treated as income upfront upon installation of connections. However, under Ind AS, since the customer does not get any identified asset or service upon payment of upfront service line charges, service line charges are recognised as revenue over the useful life of asset provided to customer.

(k) Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) as an irrevocable election at the date of transition.

Notes to the Consolidated Financial Statements

46 Explanation of Transition to Ind AS effect of Ind AS adoption *(Contd.):*

(l) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS these financial assets have been classified as Fair Value through Profit and Loss (FVTPL) on the date of transition.

(m) The deferred tax adjustment include the impact of transition adjustments together with Ind AS mandate of using balance sheet approach against profit and loss approach in the previous GAAP. On the date of transition, deferred tax impact on transition provision has been accounted in the Reserves, and consequential impact in the statement of profit and loss for the subsequent periods.

(n) Under previous GAAP, dividend payable is recognised as a liability in the period to which it relates. Under Ind AS, dividend to shareholders are recognised when declared by the members in annual general meeting.

(o) Under Ind AS, Foreign Exchange Fluctuation are recongised in other comprehensive income, where as under previous GAAP same was being accounted directly to reserve.

(p) Defined benefit plans - Under Ind AS, actuarial gains or losses arising on defined benefit plans are recognised in other comprehensive income, whereas under previous GAAP same was being charged to the statement of profit and loss.

(q) Under previous GAAP, Investment in Tata Communication Ltd. were accounted at cost, under Ind AS, this investment is considered as Associates and accounted for using the equity method.

47 Statement of Net Assets and Profit and Loss attributable to Owners and Non-Controlling Interest

Name of the Entity	Net Assets i.e. total assets minus total libilities		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 profit	Amount (₹ crore)	As % of consolidated Other compre-hensive income	Amount (₹ crore)	As % of consolidated Total compre-hensive income	Amount (₹ crore)
Tata Power Company Ltd.	40.92	16,548.56	14.28	283.45	83.37	(121.20)	8.80	162.25
Indian Subsidiaries								
Nelco Ltd. (Consolidated) [1]	0.05	21.87	0.32	6.28	0.18	(0.26)	0.33	6.02
Chemical Terminal Trombay Ltd.	0.15	62.22	0.26	5.08	0.19	(0.27)	0.26	4.81
Af-Taab Investment Co. Ltd.	0.76	306.50	0.61	12.04	11.75	(17.09)	(0.27)	(5.05)
Tata Power Trading Co. Ltd.	0.39	157.92	0.26	5.18	0.03	(0.05)	0.28	5.13
Maithon Power Ltd.	4.65	1,880.50	12.88	255.81	0.05	(0.07)	13.90	255.74
Coastal Gujarat Power Ltd.	10.11	4,086.69	(42.80)	(849.74)	(0.89)	1.30	(46.11)	(848.44)
Tata Power Delhi Distribution Ltd.	6.65	2,687.44	13.20	262.14	0.59	(0.86)	14.20	261.28
Tata Power Jamshedpur Distribution Ltd.	(0.01)	(2.66)	-	(0.06)	-	-	-	(0.06)
Industrial Power Utility Ltd.	-	*	-	*	-	-	-	*
Tata Power Renewable Energy Ltd.	11.32	4,575.22	3.46	68.65	-	-	3.73	68.65
Tata Power Solar Systems Ltd. (Consolidated) [2]	0.80	323.51	3.89	77.28	0.39	(0.57)	4.17	76.71
NDPL Infra Ltd.	0.03	11.32	0.16	3.18	-	-	0.17	3.18
Tata Power Green Energy Ltd.	-	0.02	-	*	-	-	-	*
Indo Rama Renewables Jath Ltd.	0.13	54.23	(0.08)	(1.56)	-	-	(0.08)	(1.56)
Tata Ceramics Ltd.	(0.02)	(6.50)	(0.03)	(0.59)	-	-	(0.03)	(0.59)
Supa Windfarm Ltd.	-	0.05	-	*	-	-	-	*
Poolavadi Windfarm Ltd.	-	0.05	-	*	-	-	-	*
Nivade Windfarm Ltd.	-	0.05	-	*	-	-	-	*
Vagarai Windfarm Ltd.	-	0.05	-	*	-	-	-	*
Welspun Renewables Energy Pvt. Ltd. (Consolidated) [3]	4.49	1,813.33	5.86	116.29	(0.27)	0.39	6.34	116.68

Notes to the Consolidated Financial Statements

47 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 libilities		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 profit	Amount (₹ crore)	As % of consolidated Other compre-hensive income	Amount (₹ crore)	As % of consolidated Total compre-hensive income	Amount (₹ crore)
Foreign Subsidiaries								
Bhira Investments Ltd.	(4.02)	(1,626.44)	12.40	246.21	(21.98)	31.96	15.12	278.17
Bhivpuri Investments Ltd.	2.78	1,123.49	(0.09)	(1.82)	15.59	(22.67)	(1.33)	(24.49)
Khopoli Investments Ltd.	0.73	294.70	1.00	19.77	4.54	(6.60)	0.72	13.17
Trust Energy Resources Pte. Ltd.	2.42	979.87	9.57	189.99	15.14	(22.01)	9.13	167.98
Energy Eastern Pte. Ltd.	0.12	47.73	0.70	13.95	0.83	(1.20)	0.69	12.75
PT Sumber Energi Andalan Tbk.	0.03	10.61	(0.03)	(0.64)	(0.24)	0.35	(0.02)	(0.29)
Tata Power International Pte. Ltd.	1.19	479.77	2.07	41.11	5.85	(8.50)	1.77	32.61
Indian Associates								
Nelito Systems Ltd.	0.05	21.91	0.02	0.44	-	-	0.02	0.44
Panatone Finvest Ltd. (Consolidated) [11]	0.68	273.82	7.35	146.03	(71.57)	104.06	13.59	250.09
Yashmun Engineers Ltd.	0.01	3.32	(0.03)	(0.52)	-	-	(0.03)	(0.52)
Tata Communication Ltd.	0.19	75.84	2.93	58.19	(28.01)	40.72	5.38	98.91
Tata Projects Ltd.	1.18	476.00	3.26	64.73	1.36	(1.98)	3.41	62.75
Foreign Associates								
Dagachhu Hydro Power Corporation Ltd.	0.27	109.53	0.66	13.15	0.04	(0.06)	0.71	13.09
Indian Jointly Controled Entities								
Powerlinks Transmission Ltd.	1.05	425.38	4.61	91.59	(0.05)	0.07	4.98	91.66
Industrial Energy Ltd.	1.47	593.26	1.57	31.09	0.17	(0.24)	1.68	30.85
Dugar Hydro Power Ltd.	0.06	23.68	(0.93)	(18.45)	-	-	(1.00)	(18.45)
Tubed Coal Mines Ltd.	-	-	-	-	-	-	-	-
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 Controled Entities								
Cennergi Pty. Ltd. (Consolidated) [4]	0.41	165.81	(2.79)	(55.38)	6.43	(9.35)	(3.52)	(64.73)
PT Mitratama Perkasa (Consolidated) [5]	1.89	763.45	5.26	104.49	12.18	(17.71)	4.72	86.78
PT Arutmin Indonesia	1.64	661.75	-	-	9.78	(14.22)	(0.77)	(14.22)
PT Kaltim Prima Coal	1.31	531.33	23.40	464.60	18.04	(26.23)	23.82	438.37
Indocoal Resources (Cayman) Ltd.	1.59	640.77	0.27	5.42	9.52	(13.84)	(0.46)	(8.42)
PT Indocoal Kalsel Resources	-	(0.04)	-	(0.03)	(0.01)	0.01	-	(0.02)
PT Indocoal Kaltim Resources	-	0.06	-	(0.04)	(0.01)	0.01	-	(0.03)
Candice Investments Pte. Ltd.	0.08	33.96	0.22	4.43	0.15	(0.22)	0.23	4.21
PT Nusa Tambang Pratama	1.90	766.48	6.67	132.52	12.30	(17.89)	6.23	114.63
PT Marvel Capital Indonesia	-	0.19	-	-	-	-	-	-
PT Dwikarya Prima Abadi	0.56	225.48	1.35	26.88	3.57	(5.19)	1.18	21.69
PT Kalimantan Prima Power (Consolidated) [6]	0.48	196.00	1.20	23.77	2.95	(4.29)	1.06	19.48
PT Baramulti Sukessarana Tbk (Consolidated) [8]	0.46	185.70	3.58	70.99	2.07	(3.01)	3.69	67.98

Notes to the Consolidated Financial Statements

47 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 libilities		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 profit	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Foreign Jointly Controled Entities (Contd.)								
Adjaristsqali Netherlands BV (Consolidated) [9]	0.70	281.93	(0.79)	(15.75)	4.55	(6.62)	(1.22)	(22.37)
Koromkheti Netherlands BV (Consolidated) [10]	(0.07)	(26.95)	(1.23)	(24.42)	(1.33)	1.94	(1.22)	(22.48)
Itezhi Tezhi Power Corporation	0.56	225.31	5.53	109.84	2.76	(4.01)	5.75	105.83
Indocoal KPC Resources (Cayman) Ltd.	-	0.18	-	(0.01)	(0.01)	0.01	-	-
	100.00	**40,427.02**	**100.00**	**1,985.56**	**100.00**	**(145.39)**	**100.00**	**1,840.17**
a) Adjustments arising out of consolidation		(25,278.56)		(1,037.00)		12.67		(1,024.33)
b) Non-Controlling Interest								
Indian Subsidiaries								
Nelco Ltd. (Consolidated) [1]		(10.21)		(5.44)		0.13		(5.31)
Maithon Power Ltd.		(488.45)		(59.68)		0.02		(59.66)
Tata Power Delhi Distribution Ltd.		(1,314.61)		(120.77)		0.44		(120.33)
NDPL Infra Ltd.		(5.53)		(1.56)		-		(1.56)
Welspun Renewables Energy Pvt. Ltd. - (Consolidated)[3]		(21.09)		(10.03)		-		(10.03)
Foreign Subsidiaries								
PT Sumber Energi Andalan Tbk.		(0.43)		0.03		-		0.03
Foreign Jointly Controled Entities								
PT Mitratama Perkasa (Consolidated) [5]		(28.67)		(5.63)		-		(5.63)
Total		**(1,868.99)**		**(203.08)**		**0.59**		**(202.49)**
Consolidated Net Assets/Profit after tax		**13,279.47**		**745.48**		**(132.13)**		**613.35**

Notes:

1. Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
2. Accounts of Chirasthayee Saurya Limited have been consolidated with Tata Power Solar Systems Ltd.
3. Accounts of all Subsidaries of Welspun Renewables Energy Pvt. Ltd. [Refer Note 2.3(v)] have been consolidated with Welspun Renewables Energy Pvt. Ltd.
4. Accounts of Amakhala Emoyeni RE Project 1 (Pty) Ltd. and Tsitsikamma Community Wind Farm (Pty) Ltd. have been consolidated with Cennergi Pty. Ltd.
5. Accounts of PT Mitratama Usaha have been consolidated with PT Mitratama Perkasa.
6. Accounts of PT Citra Prima Buana, PT Guruh Agung and PT Citra Kusuma Perdana have been consolidated with PT Kalimantan Prima Power.
7. The Group has sold its entire holding in OTP Geothermal Pte Ltd.
8. Accounts of PT Antang Gunung Meratus have been consolidated with PT Baramulti Sukessarana Tbk.
9. Accounts of Adjaristsqali Georgia LLC have been consolidated with Adjaristsqali Netherlands BV.
10. Accounts of Koromkheti Georgia LLC have been consolidated with Koromkheti Netherlands BV.
11. Accounts of Tata Comunication Ltd. have been consolidated with Panatone Finvest Ltd.

* Denotes figures below ₹ 50,000/-

48. Significant Event 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.

49. Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved for issue by the Board of Directors on 19th May, 2017.

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, 2017	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 15	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-17	Indian Rupee	1.00	22.82	(0.95)	130.53	108.66	21.87	5.27	143.67	4.93	148.60	6.93	0.65	6.28	Nil	Nil	50.04
2	Chemical Terminal Trombay Ltd.	27-Nov-00	31-Mar-17	Indian Rupee	1.00	1.86	60.36	66.10	3.88	62.22	49.59	20.17	2.50	22.67	6.50	1.42	5.08	Nil	Nil	100.00
3	Af-Taab Investment Co. Ltd.	27-Nov-00	31-Mar-17	Indian Rupee	1.00	10.73	295.77	312.78	6.28	306.50	309.12	15.66	Nil	15.66	14.74	2.70	12.04	Nil	Nil	100.00
4	Tata Power Trading Co. Ltd.	31-Dec-03	31-Mar-17	Indian Rupee	1.00	16.00	141.92	689.69	531.77	157.92	3.87	4,605.71	1.47	4,607.18	9.16	3.98	5.18	25.00	4.00	100.00
5	Maithon Power Ltd.	2-Sep-05	31-Mar-17	Indian Rupee	1.00	1,508.92	371.58	5,000.72	3,120.22	1,880.50	359.15	2,404.61	18.41	2,423.02	324.56	68.75	255.81	Nil	Nil	74.00
6	Coastal Gujarat Power Ltd.	22-Apr-07	31-Mar-17	Indian Rupee	1.00	10,543.30	(6,456.61)	19,454.71	15,368.02	4,086.69	120.37	6,054.85	(212.00)	5,842.85	(849.74)	Nil	(849.74)	Nil	Nil	100.00
7	Bhira Investments Ltd. [14]	22-June-07	31-Mar-17	US Dollar	64.85	4.10	(1,630.54)	5,185.99	6,812.43	(1,626.44)	2,701.30	Nil	480.24	480.24	277.70	31.49	246.21	Nil	Nil	100.00
8	Bhivpuri Investments Ltd. [14]	22-June-07	31-Mar-17	US Dollar	64.85	4.08	1,119.41	2,804.16	1,680.67	1,123.49	2,803.60	Nil	Nil	Nil	(1.82)	Nil	(1.82)	Nil	Nil	100.00
9	Khopoli Investments Ltd. [14]	17-May-07	31-Mar-17	US Dollar	64.85	255.20	39.50	3,544.68	3,249.98	294.70	318.65	Nil	277.17	277.17	19.83	0.06	19.77	Nil	Nil	100.00
10	Trust Energy Resources Pte. Ltd. [14]	11-Mar-08	31-Mar-17	US Dollar	64.85	604.47	375.40	1,758.16	778.29	979.87	28.38	482.23	1.66	483.89	203.84	13.85	189.99	Nil	Nil	100.00
11	Tata Power Delhi Distribution Ltd.	22-Jan-08	31-Mar-17	Indian Rupee	1.00	552.00	2,135.44	9,216.48	6,529.04	2,687.44	0.05	6,598.98	57.06	6,656.04	319.62	57.48	262.14	6.00	33.12	51.00
12	Tata Power Jamshedpur Distribution Ltd. [13]	6-Nov-12	31-Mar-17	Indian Rupee	1.00	8.05	(10.71)	0.31	2.97	(2.66)	Nil	Nil	Nil	Nil	(0.06)	Nil	(0.06)	Nil	Nil	100.00
13	Industrial Power Utility Ltd. [13]	28-Mar-07	31-Mar-17	Indian Rupee	1.00	0.11	(0.11)	*	*	*	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
14	Tata Power Renewable Energy Ltd.	28-Mar-07	31-Mar-17	Indian Rupee	1.00	4,461.11	114.11	8,159.32	3,584.10	4,575.22	4,154.47	318.08	82.37	400.45	98.47	29.82	68.65	4.40	24.93	100.00
15	Tata Power Solar Systems Ltd. [10]	28-June-12	31-Mar-17	Indian Rupee	1.00	229.78	93.73	1,750.20	1,426.69	323.51	Nil	2,261.31	1.31	2,262.62	95.97	18.69	77.28	Nil	Nil	100.00
16	Tata Power International Pte. Ltd. [14]	5-Apr-13	31-Mar-17	US Dollar	64.85	559.57	(79.80)	1,351.90	872.13	479.77	1,108.56	Nil	386.13	386.13	51.75	10.64	41.11	Nil	Nil	100.00
17	NDPL Infra Ltd.	23-Aug-11	31-Mar-17	Indian Rupee	1.00	0.05	11.27	12.24	0.92	11.32	9.76	10.04	0.53	10.57	5.99	2.81	3.18	Nil	Nil	51.00
18	Tata Power Green Energy Ltd.	5-Jan-11	31-Mar-17	Indian Rupee	1.00	0.05	(0.03)	0.02	*	0.02	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
19	Energy Eastern Pte. Ltd. [14]	31-Jan-08	31-Mar-17	US Dollar	64.85	3.40	44.33	184.13	136.40	47.73	Nil	321.90	0.43	322.33	14.01	0.06	13.95	Nil	Nil	100.00
20	PT Sumber Energi Andalan Tbk [14]	26-Aug-09	31-Mar-17	US Dollar	64.85	26.37	(15.76)	12.69	2.08	10.61	1.89	0.96	0.33	1.29	(0.63)	0.01	(0.64)	Nil	Nil	94.61
21	Supa Windfarm Ltd.	10-Dec-15	31-Mar-17	Indian Rupee	1.00	0.05	*	0.05	*	0.05	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
22	Nivade Windfarm Ltd.	17-Dec-15	31-Mar-17	Indian Rupee	1.00	0.05	*	0.05	*	0.05	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
23	Poolavadi Windfarm Ltd.	9-Jan-2016	31-Mar-17	Indian Rupee	1.00	0.05	*	0.05	*	0.05	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00
24	Tata Ceramics Ltd. [13]	28-May-15	31-Mar-17	Indian Rupee	1.00	19.52	(26.02)	34.41	40.91	(6.50)	0.06	45.05	1.44	46.49	(0.59)	Nil	(0.59)	Nil	Nil	57.07
25	Indo Rama Renewables Jath Ltd.	19-May-16	31-Mar-17	Indian Rupee	1.00	60.30	(6.07)	205.64	151.41	54.23	4.31	36.18	0.48	36.66	(2.46)	Nil	(2.46)	Nil	Nil	100.00
26	Welspun Renewables Energy Pvt. Ltd. (Consolidated) [2]	14-Sep-16	31-Mar-17	Indian Rupee	1.00	611.36	1,201.97	7,615.50	5,802.17	1,813.33	143.78	1,064.80	24.61	1,089.41	41.91	(24.03)	65.94	Nil	Nil	100.00
27	Vagarai Windfarm Ltd. [13]	27-Feb-17	31-Mar-17	Indian Rupee	1.00	0.05	*	0.05	*	0.05	Nil	Nil	Nil	Nil	*	Nil	*	Nil	Nil	100.00

Form AOC-I

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/Joint Ventures

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, 2017	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&14]	2-Mar-12	31-Mar-17	ZAR	4.83	86	389.65	50%	Note 11	-	165.81	(110.76)	(55.38)	-
2	PT Mitratama Perkasa (consolidated upto 30th September, 2016 there after held for sale) (Consolidated) [4, 14&$]	16-Aug-12	30-Sep-16	US Dollar	64.85	7,500	1.89	28.38%	Note 11	-	763.45	368.18	104.49	-
3	PT Arutmin Indonesia (consolidated upto 31st March, 2014 there after held for sale) [14&$]	26-June-07	31-Mar-14	US Dollar	64.85	3,000	648.88	30%	Note 11	-	661.75	Nil	Nil	-
4	PT Kaltim Prima Coal [14]	26-June-07	31-Mar-17	US Dollar	64.85	123,540	4,008.99	30%	Note 11	-	531.33	1,548.67	464.60	-
5	Indocoal Resources (Cayman) Ltd. [14]	26-June-07	31-Mar-17	US Dollar	64.85	300	2,803.60	30%	Note 11	-	640.77	18.07	5.42	-
6	PT Indocoal Kalsel Resources [13, 14&$]	26-June-07	31-Mar-17	IDR Rupaiya	0.005	60,000	0.20	30%	Note 11	-	(0.04)	(0.10)	(0.03)	-
7	PT Indocoal Kaltim Resources [13&14]	26-June07	31-Mar-17	IDR Rupaiya	0.005	82,380	0.33	30%	Note 11	-	0.06	(0.13)	(0.04)	-
8	Powerlinks Transmission Ltd.	7-July-03	31-Mar-17	Indian Rupee	1.00	23,86,80,000	238.68	51%	Note 11	-	425.38	179.59	91.59	-
9	Industrial Energy Ltd.	23-Feb-07	31-Mar-17	Indian Rupee	1.00	492,840,000	492.84	74%	Note 11	-	593.26	42.01	31.09	-
10	Dugar Hydro Power Ltd.	21-Apr-11	31-Mar-17	Indian Rupee	1.00	43,250,002	43.25	50%	Note 11	-	23.68	(36.90)	(18.45)	-
11	Tubed Coal Mines Ltd. [13]	20-Nov-07	31-Mar-17	Indian Rupee	1.00	18,117,800	18.12	40%	Note 11	-	Nil	Nil	Nil	-
12	Mandakini Coal Company Ltd. [13]	18-July-08	31-Mar-17	Indian Rupee	1.00	39,300,000	39.30	33.33%	Note 11	-	(57.19)	Nil	Nil	-
13	Gamma Land Holding Ltd. [13]	14-Sep-12	31-Mar-17	Indian Rupee	1.00	16,667	0.02	33.33%	Note 11	-	(0.01)	Nil	Nil	-
14	Solace Land Holding Ltd. [13]	12-Sep-12	31-Mar-17	Indian Rupee	1.00	766,667	0.77	33.33%	Note 11	-	*	Nil	Nil	-
15	Beta Land Holdings Ltd. [13]	13-Dec-12	31-Mar-17	Indian Rupee	1.00	16,667	0.02	33.33%	Note 11	-	(0.03)	Nil	Nil	-
16	Ginger Land Holdings Ltd. [13]	20-Dec-12	31-Mar-17	Indian Rupee	1.00	16,667	0.02	33.33%	Note 11	-	*	Nil	Nil	-
17	Candice Investments Pte. Ltd. [14]	28-Oct-10	31-Mar-17	US Dollar	64.85	3	*	30%	Note 11	-	33.96	14.77	4.43	-
18	PT Nusa Tambang Pratama [14]	28-Oct-10	31-Mar-17	US Dollar	64.85	18,000	*	30%	Note 11	-	766.48	441.73	132.52	-
19	PT Marvel Capital Indonesia [13&14]	28-Oct-10	31-Mar-17	US Dollar	64.85	107,459	0.01	30%	Note 11	-	0.19	Nil	Nil	-
20	PT Dwikarya Prima Abadi [13&14]	28-Oct-10	31-Mar-17	US Dollar	64.85	10,769	0.01	30%	Note 11	-	225.48	89.60	26.88	-
21	PT Kalimantan Prima Power (Consolidated) [5&14]	1-Jan-2011	31-Mar-17	US Dollar	64.85	7,500	4.86	30%	Note 11	-	196.00	79.23	23.77	-
22	PT Baramulti Sukessarana Tbk (Consolidated) [6&14]	9-Nov-12	31-Mar-17	US Dollar	64.85	680,290,000	642.39	26%	Note 11	-	185.70	273.04	70.99	-
23	Adjaristsqali Netherlands BV (Consolidated) [7&14]	9-May-13	31-Mar-17	Euro	69.30	16,459	464.06	40%	Note 11	-	281.93	(39.38)	(15.75)	-
24	Indocoal KPC Resources (Cayman) Ltd [13&14]	2-July- 14	31-Mar-17	US Dollar	64.85	300	*	30%	Note 11	-	0.18	(0.03)	(0.01)	-
25	Koromkheti Netherlands BV (Consolidated) [8, 13&14]	9-May- 14	31-Mar-17	Euro	69.30	500	*	40%	Note 11	-	(26.95)	(61.05)	(24.42)	-
26	Itezhi Tezhi Power Corporation Ltd. [14]	29-Apr-15	31-Mar-17	US Dollar	64.85	452,500	275.74	50%	Note 11	-	225.31	219.68	109.84	-
27	LTH Milcom Private Ltd. [13]	17-Aug-15	31-Mar-17	Indian Rupee	1.00	66,660	0.07	33.33%	Note 11	Not material to the group	*	*	*	*
28	Resurgent Power Ventures Pte. Ltd. [13]	19-May-16	31-Mar-17	US Dollar	64.85	14,736	0.51	26%	Note 11		*	*	*	*

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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, 2017	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.	27-Nov-00	31-Mar-17	Indian Rupee	1.00	967,500	66.78	47.78%	Note 12	-	476.00	135.47	64.73	-
2	Panatone Finvest Ltd. (Consolidated) [9]	12-Feb-02	31-Mar-17	Indian Rupee	1.00	590,882,000	600.00	39.98%	Note 12	-	273.82	365.27	146.03	-
3	Nelito Systems Ltd. [$]	31-Dec-05	31-Mar-17	Indian Rupee	1.00	572,238	4.34	28.15%	Note 12	-	11.69	1.57	0.44	-
4	Yashmun Engineers Ltd. [13]	27-Nov-00	31-Mar-17	Indian Rupee	1.00	19,200	0.01	27.27%	Note 12	-	3.32	(1.90)	(0.52)	-
5	Tata Communications Ltd. (Consolidated)	12-Feb-02	31-Mar-17	Indian Rupee	1.00	13,422,037	316.10	4.71%	Note 12	-	75.84	1,235.46	58.19	-
6	Dagachhu Hydro Power corporation Ltd.	19-Jan-09	31-Mar-17	Bhutan Nu	1.00	1,074,320	107.43	26.00%	Note 12	-	109.53	50.57	13.15	-
7	The Associated Building Co. Ltd. [13]	27-Nov-00	31-Mar-17	Indian Rupee	1.00	1,825	0.17	33.14%	Note 12	Not material to the group	0.66	0.69	Nil	0.23
8	Brihat Trading Pvt. Ltd. [13]	22-Feb-05	31-Mar-17	Indian Rupee	1.00	3,350	0.01	33.21%	Note 12		(0.01)	*	Nil	*

Notes:

1. Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
2. Accounts of all subsidiaries of Welspun Renewables Energy Pvt Ltd. have been consolidated with Welspun Renewables Energy Pvt 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. Accounts of Chirasthaayee Saurya Ltd. have been consolidated with Tata Power Solar Systems Ltd.
11. There is significant influence due to shareholding and joint control over the economic activities.
12. There is significant influence due to shareholding.
13. Based on Management Accounts for FY 2016-17.
14. Figures of foreign subsidiaries and joint ventures are as per their accounts prepared under the respective GAAP, converted to Ind AS.
15. Turnover includes rate regulatory income/(expense).
16. The Group has sold its entire holding in OTP Geothermal Pte Ltd. and ASL Advanced Systems Pvt. Ltd. during the year.
17. $ denotes held for Sale.

* Denotes figures below ₹ 50,000/-

For and on behalf of the Board

RAMESH SUBRAMANYAM
Chief Financial Officer

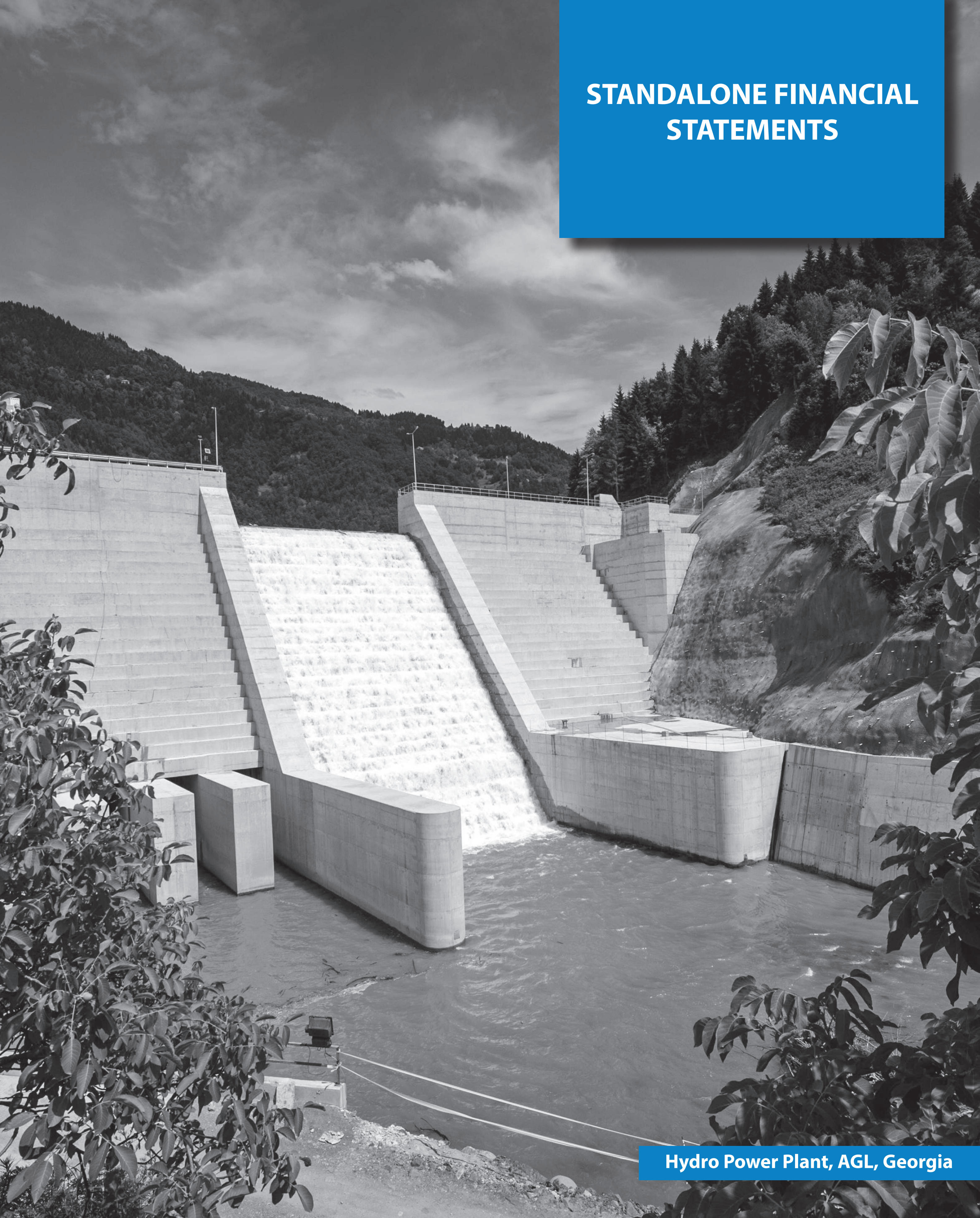
N. CHANDRASEKARAN
Chairman

H. M. MISTRY
Company Secretary

ANIL SARDANA
CEO & Managing Director

Mumbai, 19th May, 2017.

STANDALONE FINANCIAL STATEMENTS



Hydro Power Plant, AGL, Georgia

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, 2017, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditor's Responsibility

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

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

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

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

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

Basis for Qualified Opinion

As described in Note 34 (b) and (c) to the standalone Ind AS financial statements, the fair value of unquoted equity shares of Tata Teleservices Limited (TTSL) has not been determined as at 31st March, 2017. We are, therefore, unable to comment on whether the carrying value of:

a) Investments in TTSL of ₹ 384.88 crore represents the fair value of such investments as at 31st March, 2017 and the consequent impact thereof on Other Comprehensive Income, and

b) 'Other advance', which represent TTSL shares receivable from DoCoMo under a contractual obligation of ₹ 138.55 crore as at 31st March, 2017 represents the fair value of such shares and the consequent impact thereof on the Statement of Profit and Loss.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

(a) Note 37(d) to the standalone Ind AS financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crore accounted for as revenue in earlier periods and its consequential effects for the period upto 31st March, 2017. The impact of the same on the standalone Ind AS financial statements for the year ended 31st March, 2017 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, adjustment, if any, will be recorded by the Company based on final outcome of the matter.

(b) Note 37(f) to the standalone Ind AS financial statements in respect of entry tax matter, estimated at ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore), has been decided by the Hon'ble Bombay High Court against the Company. The Company is of the view, supported by legal opinions, that it has a strong case on merits and has appealed the matter before the Hon'ble Supreme Court. Adjustments, if any, will be recorded by the Company based on final outcome of the matter.

(c) Note 34(a) to the standalone Ind AS financial statements which describes the basis on which Management has considered that no impairment is necessary as at 31st March, 2017 for long term-investments of ₹ 11,136.15 crore in Coastal Gujarat Power Limited (CGPL), and no provision is required in respect of guarantees of ₹ 2,781.69 crore given to CGPL's lenders.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and referred to in the Other Matters paragraphs above we report, to the extent applicable that:

    a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company.

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

    d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) The matters described in the Basis for Qualified Opinion paragraph and Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.

    f) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

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

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

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

        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.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

UDAYAN SEN
Partner
(Membership No. 031220)
MUMBAI, 19th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h)under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **THE TATA POWER COMPANY LIMITED** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, and as described in note [34(b) and 34 (c)], in the absence of a valuation report and appropriate evidence to determine the fair value as at 31st March, 2017 of investment in Tata Teleservices Limited (TTSL), a material weakness has been identified relating to inadequate internal financial controls over financial reporting in respect of the assessment of appropriateness of carrying amount of these investments.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended 31st March, 2017 and the material weakness has affected our opinion on the said standalone Ind AS financial statements of the Company and we have issued a qualified opinion on the standalone Ind AS financial statements of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

UDAYAN SEN
Partner
(Membership No. 031220)

MUMBAI, 19th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold and property, plant and equipment, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and Building	Cost (as at the balance sheet date) ₹ crore	Remarks
Land at Vikhroli	25.94	Agreement is pending finalization on account of dispute
Land at Bhira	1.44	Agreement is pending finalization
Land at Bhivpuri	0.77	Agreement is pending finalization
Flats at Andheri	0.24	Agreement is pending finalization
Land at Haldia	5.41	Agreement is pending finalization
Land at Bhanwaj	*	Agreement is pending finalization
Land at Sawle	*	Agreement is pending finalization
Land at Sion Salt Pans	*	Agreement is pending finalization
Land at Bhandup	0.02	Agreement is pending finalization
Land at Mahul	0.07	Agreement is pending finalization
Land at Wadhavli & Marawli	0.07	Agreement is pending finalization
Land at Mahul	*	Agreement is pending finalization
Land at Kambe	*	Agreement is pending finalization
Land at Vadol - Ambernath	*	Agreement is pending finalization
Land at Malusar	*	Agreement is pending finalization

* Denotes figures below ₹ 50,000/-

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

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

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

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for Generation, transmission, distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), other than for captive generation (as defined under the Electricity Rules 2005) and machinery and mechanical appliances used in defence, space and atomic energy sectors. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and value added tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (₹ crore)	Period to which the amount relates	Forum where dispute is pending
Customs Laws	Customs Duty	37.60	1993-94 to 1999-00 and 2012-13	Appellate Authority - upto Commissioner level
Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002	Entry Tax	1,967.43	2005-06 to 2012-13	Supreme Court
Maharashtra Value Added Tax Act, 2002	VAT	17.91	2008-09	Sales Tax Appellate Tribunal
Central Excise Laws	Excise Duty	0.90	1992-93 to 1995-96	Appellate Authority - upto Tribunal Level
The Water (Prevention & Control of Pollution) Cess Act 1977	Cess	1.13	2009-10	Chairman MPCB

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

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

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

UDAYAN SEN
Partner
(Membership No. 031220)

MUMBAI, 19th May, 2017

Balance Sheet as at 31st March, 2017

	Notes	Page	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
ASSETS					
Non-current Assets					
(a) Property, Plant and Equipment	4	302	8,130.21	8,251.53	8,088.37
(b) Capital Work-in-Progress			666.18	485.72	472.44
(c) Intangible Assets	5	303	189.87	140.54	141.99
(d) Intangible Assets under Development			254.68	209.70	76.20
(e) Financial Assets					
(i) Investments	6	304	22,369.27	14,031.71	13,412.41
(ii) Trade Receivables	7	307	185.76	185.76	185.76
(iii) Loans	8	308	22.82	3,644.45	2,867.28
(iv) Finance Lease Receivables	9	308	573.47	617.63	661.09
(v) Other Financial Assets	10	309	820.10	1,006.26	1,338.47
(f) Non-current Tax Assets (Net)	11	310	Nil	Nil	49.52
(g) Other Non-current Assets	12	311	1,105.15	1,143.96	1,165.48
Total Non-current Assets			**34,317.51**	**29,717.26**	**28,459.01**
Current Assets					
(a) Inventories	13	312	671.09	689.05	669.18
(b) Financial Assets					
(i) Investments	14	312	89.34	0.22	42.02
(ii) Trade Receivables	7	307	1,234.26	1,057.23	1,559.38
(iii) Unbilled Revenue			560.98	299.96	226.75
(iv) Cash and cash Equivalents	15	313	141.60	33.83	265.85
(v) Bank Balances other than (iv) above	16	313	14.47	12.06	13.42
(vi) Loans	8	308	Nil	106.00	39.86
(vii) Finance Lease Receivables	9	308	39.16	48.80	42.51
(viii) Other Financial Assets	10	309	376.71	212.06	271.83
(c) Other Current Assets	12	311	273.83	345.06	296.56
			3,401.44	2,804.27	3,427.36
Assets Classified as Held For Sale	17	314	235.72	Nil	Nil
Total Current Assets			**3,637.16**	**2,804.27**	**3,427.36**
Total Assets before Regulatory Deferral Account			**37,954.67**	**32,521.53**	**31,886.37**
Regulatory Deferral Account - Assets	18	315	**1,914.00**	**2,093.09**	**1,841.86**
TOTAL ASSETS			**39,868.67**	**34,614.62**	**33,728.23**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	19 a.	316	270.50	270.48	270.48
(b) Unsecured Perpetual Securities	19 b.	317	1,500.00	1,500.00	1,500.00
(c) Other Equity	20	318	14,778.06	15,079.98	14,458.16
Total Equity			**16,548.56**	**16,850.46**	**16,228.64**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	21	320	8,847.86	8,983.62	8,777.67
(ii) Trade Payables			35.57	33.12	29.92
(iii) Other Financial Liabilities	22	323	31.98	33.59	32.33
(b) Provisions	23	324	170.17	151.57	149.90
(c) Deferred Tax Liabilities (Net)	24	325	1,472.09	1,543.94	1,439.96
(d) Other Non-current Liabilities	25	326	187.34	176.85	136.21
Total Non-current Liabilities			**10,745.01**	**10,922.69**	**10,565.99**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	26	326	2,391.98	1,507.09	1,741.05
(ii) Trade Payables			1,344.68	1,263.26	1,304.66
(iii) Other Financial Liabilities	22	323	6,632.32	1,866.79	2,227.79
(b) Provisions	23	324	52.33	73.59	68.93
(c) Current Tax Liabilities (Net)	27	326	18.26	29.74	Nil
(d) Other Current Liabilities	25	326	1,479.53	1,420.62	1,572.81
Total Current Liabilities			**11,919.10**	**6,161.09**	**6,915.24**
Total Liabilities before Regulatory Deferral Account			**22,664.11**	**17,083.78**	**17,481.23**
Regulatory Deferral Account - Liability	18	315	**656.00**	**680.38**	**18.36**
TOTAL EQUITY AND LIABILITIES			**39,868.67**	**34,614.62**	**33,728.23**

See accompanying notes to the Financial Statements

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner

Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2017.

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

TATA

Statement of Profit and Loss for the year ended 31st March, 2017

		Notes	Page	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
I	Revenue from Operations	28	327	7,218.06	*8,696.94*
II	Other Income	29	327	913.83	*905.27*
III	**Total Income**			**8,131.89**	***9,602.21***
IV	**Expenses**				
	Cost of Power Purchased			466.52	*785.06*
	Cost of Fuel			2,342.83	*2,550.42*
	Transmission Charges			221.30	*262.96*
	Cost of Components Consumed			349.98	*397.66*
	Employee Benefits Expense	30	328	660.80	*648.47*
	Finance Costs	31	329	1,295.68	*1,146.12*
	Depreciation and Amortisation Expenses	4, 5	303	634.21	*604.46*
	Other Expenses	32	329	1,066.99	*1,091.36*
	Total Expenses			**7,038.31**	***7,486.51***
V	**Profit Before Rate Regulated Activities, Exceptional Items and Tax**			**1,093.58**	***2,115.70***
	Add/(Less): Regulatory income/(expense) (net)			(13.00)	*(438.00)*
	Add/(Less): Regulatory income/(expense) (net) in respect of earlier years			77.00	*56.59*
				64.00	*(381.41)*
VI	**Profit Before Exceptional Items and Tax**			**1,157.58**	***1,734.29***
	Less: Exceptional Items				
	Loss Towards Contractual Obligation	34(c)	332	651.45	*Nil*
VII	**Profit Before Tax**			**506.13**	***1,734.29***
VIII	**Tax Expense**				
	Current Tax	33	331	290.92	*279.20*
	Deferred Tax	24	325	(68.24)	*100.10*
				222.68	*379.30*
IX	**Profit For The Year**			**283.45**	***1,354.99***
X	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Equity Instruments through Other Comprehensive Income			(113.97)	*(246.36)*
	(b) Gain on sale of Investment classified at FVTOCI			0.10	*Nil*
	(c) Remeasurement of the Defined Benefit Plans	39(2.3)	339	(11.40)	*(7.76)*
	(ii) Tax relating to items that will not be reclassified to profit or loss				
	(a) Current Tax			Nil	*Nil*
	(b) Deferred Tax	24	325	4.07	*(3.88)*
	B (i) Items that will be reclassified to profit or 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			**(121.20)**	**(258.00)**
XI	**Total Comprehensive Income for the year (IX + X)**			**162.25**	***1,096.99***
XII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share)**				
	Basic (₹)	45	358	0.63	*4.59*
	Diluted (₹)	45	358	0.63	*4.59*

See accompanying notes to the Financial Statements

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner

Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2017.

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

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

		For the year ended 31st March, 2017 ₹ crore		*For the year ended 31st March, 2016* *₹ crore*	
A.	**Cash Flow from Operating Activities**				
	Profit before tax		506.13		*1,734.29*
	Adjustments to reconcile profit before tax to net cash flows				
	Depreciation and Amortisation Expense	634.21		*604.46*	
	Interest Income	(269.42)		*(552.28)*	
	Delayed Payment Charges	(6.78)		*(7.80)*	
	Dividend Income	(649.98)		*(328.06)*	
	Finance Cost	1,295.68		*1,146.12*	
	(Gain)/Loss on disposal of Property, Plant and Equipment (net)	0.23		*(27.99)*	
	Gain on Sale of Current Investments (Including fair value change) (Net)	(41.36)		*(9.29)*	
	Gain on Sale of Non-Current Investments (Including fair value change) (Net)	Nil		*(10.57)*	
	Amortisation of Premium paid on Leasehold Land	12.03		*14.52*	
	Impairment of Financial Assets - payment towards contractual obligations	651.45		*Nil*	
	Guarantee Commission - From Subsidairies & Jointly Controlled Entities	(24.88)		*(42.75)*	
	Amortisation of Service Line Contributions	(11.04)		*(10.26)*	
	Transfer to Statutory reserve	14.00		*21.00*	
	Allowance for Doubtful Debts and Advances (Net)	19.34		*65.50*	
	Impairment of Non-current Assets held for sale	34.00		Nil	
	Provision for Warranties	2.48		*3.81*	
	Impairment of Non-current Investments in Joint Ventures	18.08		*28.37*	
	Impairment of payment towards lease obligation	31.00		*Nil*	
	Realised Exchange Loss on Investing/Financing Activity (Net)	10.10		*25.52*	
	Unrealised Exchange Loss/(Gain) (Net)	70.48		*34.68*	
			1,789.62		*954.98*
			2,295.75		*2,689.27*
	Working Capital Adjustments				
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	17.96		*(19.87)*	
	Trade Receivables	(196.33)		*499.32*	
	Finance Lease Receivables	53.80		*37.17*	
	Other Current Assets	71.23		*(48.50)*	
	Other Non-current Assets	9.16		*29.94*	
	Unbilled Revenue	(261.02)		*(73.21)*	
	Other Financial Assets - Current	(109.28)		*(67.43)*	
	Other Financial Assets - Non Current	144.48		*345.47*	
	Regulatory Account - Debit balances- Assets	179.09		*(251.23)*	
	Movement in operating asset		(90.91)		*451.66*
			2,204.84		*3,140.93*
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade Payables	83.87		*(38.20)*	
	Other Current Liabilities	44.91		*(173.19)*	
	Other Non-current Liabilities	(0.98)		*37.93*	
	Short-term Provisions	(35.05)		*(8.27)*	
	Long-term Provisions	18.51		*3.03*	
	Other Financial Liabilities - Current	59.07		*(537.51)*	
	Other Financial Liabilities - Non Current	(1.61)		*1.26*	
	Regulatory Account - Liability	(24.38)		*662.02*	
	Movement in operating liability		144.34		*(52.93)*
	Cash flow from/(used in) operations		2,349.18		*3,088.00*
	Income tax paid		(243.14)		*(140.75)*
	Net Cash Flows from/(used) in Operating Activities		**2,106.04**		***2,947.25***
B.	**Cash Flow from Investing Activities**				
	Capital expenditure on fixed assets, including capital advances		(882.85)		*(1,009.27)*
	Proceeds from Sale of Fixed Assets		9.47		*64.99*
	Purchase of Long-term Investments				
	Subsidiaries		(4,833.73)		*(193.34)*
	Joint ventures		(0.15)		*(308.81)*
	Other investments		(10.26)		*(18.71)*
	Proceeds from Sale of Non-Current Investments				
	Associates		Nil		*10.87*
	Other investments		0.73		*Nil*
	Carried over		(3,610.75)		*1,492.98*

Statement of Cash Flows for the year ended 31st March, 2017 *(Contd.)*

		For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
	Brought forward...	(3,610.75)	*1,492.98*
	Purchase of Current Investments	(24,390.10)	*(9,008.08)*
	Proceeds from Sale of Current Investments	24,431.46	*9,059.39*
	Interest Received		
	Subsidiaries	43.75	*82.50*
	Others	49.47	*152.09*
	Delayed payment charges received	6.78	*7.80*
	Loans given to Subsidiaries	(187.15)	*(1,177.26)*
	Loans given to Joint Ventures	Nil	*(77.96)*
	Loans repaid by Subsidiaries	356.62	*317.85*
	Loans repaid by Joint Ventures	13.25	*39.86*
	Dividend Received		
	Subsidiaries	427.00	*279.30*
	Joint Ventures	114.50	*93.07*
	Associates	12.43	*12.24*
	Others	3.82	*18.45*
	Guarantee Commission Received	24.88	*26.17*
	Amount paid under Contractual Obligation	(790.00)	*Nil*
	Inter Corporate Deposits redeemed	24.00	*Nil*
	Bank Balance not considered as Cash and Cash Equivalents	(2.41)	*1.36*
	Net Cash Flow from/(used) in Investing Activities	**(5,578.49)**	***(1,627.49)***
C.	**Cash flow from Financing Activities**		
	Proceeds from issue of Equity shares	0.87	0.02
	Issue Expenses	Nil	*(1.69)*
	Increase in Capital/Service Line Contributions	14.46	*12.98*
	Distribution on Unsecured Perpetual Securities	(171.24)	*(170.85)*
	Interest and Other Borrowing Costs	(1,190.42)	*(1,163.40)*
	Proceeds from Long-term Borrowings	5,615.00	*921.24*
	Repayment of Long-term Borrowings	(1,220.97)	*(517.18)*
	Proceeds from Short-term Borrowings	7,926.79	*8,205.14*
	Repayment of Short-term Borrowings	(6,894.65)	*(8,623.64)*
	Dividends Paid	(350.42)	*(351.73)*
	Dividend Distribution Tax	(0.59)	*(11.60)*
	Net Cash Flow from/(used) in Financing Activities	**3,728.83**	***(1,700.71)***
	Net Increase/(Decrease) in Cash and Cash Equivalents	**256.38**	***(380.95)***
	Cash and Cash Equivalents as at 1st April (Opening Balance)	**(115.10)**	***265.85***
	Cash and Cash Equivalents as at 31st March (Closing Balance)	**141.28**	***(115.10)***

Notes:

1. Cash and Cash Equivalents include:

		As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
(a)	Cash on Hand	0.04	*0.01*
	Balances with Banks		
(b)	In Current Accounts	43.56	*32.60*
(c)	In Deposit Accounts with original maturity of less than 3 months	98.00	*1.22*
(d)	Bank Overdraft	(0.32)	*(148.93)*
		141.28	***(115.10)***

2. During the year, Loan and Interest accrued thereon given to Coastal Gujarat Power Limited and Tata Power Renewable Energy Limited amounting to ₹ 3,855.89 crore (*Previous period- ₹ Nil*) has been converted into Investment in Perpetual Securities and Investment in Equity. The said conversion has been considered as non cash item for the purposes of cash flow.
3. Purchase of investments in Subsidiaries, Joint Venture and Associates includes Advance paid towards equity.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

UDAYAN SEN
Partner

Mumbai, 19th May, 2017.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 19th May, 2017.

For and on behalf of the Board,

N. CHANDRASEKARAN
Chairman

ANIL SARDANA
CEO & Managing Director

Statement of Changes in Equity

A. Equity Share Capital

₹ crore

	No. of Shares	Amount
Balance as at 1st April, 2015	270,46,25,254	270.48
Issued during the year	4,144	*
Balance as at 31st March, 2016	270,46,29,398	270.48
Issued during the year	144,112	0.02
Balance as at 31st March, 2017	270,47,73,510	270.50

B. Unsecured Perpetual Securities

₹ crore

	No. of Securities	Amount
Balance as at 1st April, 2015	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2016	15,000	1,500.00
Issued during the year	Nil	Nil
Balance as at 31st March, 2017	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	Retained Earnings	Equity Instrument through Other Comprehensive Income	
Balance as at 1st April, 2015	3,789.08	5,634.11	434.66	1.60	61.66	4,423.94	113.11	14,458.16
Profit for the year	Nil	Nil	Nil	Nil	Nil	1,354.99	Nil	1,354.99
Other Comprehensive Income / (Expense) for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	(5.20)	(252.80)	(258.00)
Total Comprehensive Income	Nil	Nil	Nil	Nil	Nil	1,349.79	(252.80)	1,096.99
Issue of Equity Shares during the year	Nil	0.02	Nil	Nil	Nil	Nil	Nil	0.02
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	(363.59)	Nil	(363.59)
Transfer to General Reserve	77.16	Nil	Nil	Nil	Nil	(77.16)	Nil	Nil
Transfer to Debenture Redemption Reserve	Nil	Nil	110.58	Nil	Nil	(110.58)	Nil	Nil
Distribution on Unsecured Prepetual Securities (Net of Tax)	Nil	Nil	Nil	Nil	Nil	(111.60)	Nil	(111.60)
Balance as at 31st March, 2016	**3,866.24**	**5,634.13**	**545.24**	**1.60**	**61.66**	**5,110.80**	**(139.69)**	**15,079.98**
Balance as at 1st April, 2016	3,866.24	5,634.13	545.24	1.60	61.66	5,110.80	(139.69)	15,079.98
Profit for the year	Nil	Nil	Nil	Nil	Nil	283.45	Nil	283.45
Other Comprehensive Income / Expense for the year (Net of Tax)	Nil	Nil	Nil	Nil	Nil	(7.45)	(113.75)	(121.20)
Total Comprehensive Income	Nil	Nil	Nil	Nil	Nil	276.00	(113.75)	162.25
Issue of Equity Shares during the year	Nil	0.85	Nil	Nil	Nil	Nil	Nil	0.85
Transfer to Retained Earnings on Sale of Shares	Nil	Nil	Nil	Nil	Nil	(0.04)	0.04	Nil
Dividend paid (including tax on dividend)	Nil	Nil	Nil	Nil	Nil	(352.58)	Nil	(352.58)
Transfer to Debenture Redemption Reserve	Nil	Nil	455.66	Nil	Nil	(455.66)	Nil	Nil
Distribution on Unsecured Perpetual Securities (Net of Tax)	Nil	Nil	Nil	Nil	Nil	(112.44)	Nil	(112.44)
Balance as at 31st March, 2017	**3,866.24**	**5,634.98**	**1,000.90**	**1.60**	**61.66**	**4,466.08**	**(253.40)**	**14,778.06**

* Denotes figures below ₹ 50,000/-.

See accompanying notes to the Financial Statements

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAMESH SUBRAMANYAM
Chief Financial Officer

N. CHANDRASEKARAN
Chairman

UDAYAN SEN
Partner

H. M. MISTRY
Company Secretary

ANIL SARDANA
CEO & Managing Director

Mumbai, 19th May, 2017.

Mumbai, 19th May, 2017.

Notes to the Financial Statements

1. Background:

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 Company pioneered the generation of electricity in India more than a century ago. Prior to 1st April, 2000 the Tata Electric Companies comprised of the following three Companies -

- The Tata Hydro-Electric Power Supply Company Limited, established in 1910 (Tata Hydro).
- The Andhra Valley Power Supply Company Limited, established in 1916 (Andhra Valley).
- The Tata Power Company Limited, established in 1919 (Tata Power).

With effect from 1st April, 2000, Andhra Valley and Tata Hydro merged into Tata Power to result in one large unified entity. The Company has an installed generation capacity of 2,954 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. Significant Accounting Policies:

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.

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015.

Refer Note 47 for details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.3 Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, fair value of unquoted securities and impairment of investments, valuation of current and deferred tax expense, valuation of defined benefit obligations, regulatory deferral accounts and provisions and contingent liabilities.

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.

Notes to the Financial Statements

Valuation of deferred tax assets:

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.11.3.

Regulatory deferral account:

The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations based on the principles laid down under the Tariff Regulations on the basis of Tariff Orders issued. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by regulators under the Tariff Regulations is made after the completion of such review.

2.4 Non-current assets held for sale

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.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

2.5.1 Sale of Power

Revenue from Generation, Transmission and Distribution of power is recognised on an accrual basis and includes unbilled revenue accrued upto the end of the accounting year.

The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations based on the principles laid down under the relevant Tariff Regulations/Tariff Orders as notified by respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by respective State Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders is made after the completion of such review.

2.5.2 Delayed payment charges

Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence when recovered.

2.5.3 Sale of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company 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 Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5.4 Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

The Company's policy for recognition of revenue from construction contracts is described in note 2.5.6 below.

Notes to the Financial Statements

2.5.5 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.

2.5.6 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) all critical approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches a reasonable level of development i.e. the expenditure incurred on construction and development costs is at least 10% of the construction and development costs or ₹ 5 crore spend whichever is higher.

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.

2.6 Leasing arrangement

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

2.6.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of 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 Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

2.7 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 profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.8 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.

2.9 Government Grant

Government grants are not recognised until there is reasonable assurance that the Company 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 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 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.

2.10 Employee Benefits

2.10.1 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.

2.10.2 Defined benefits plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

Notes to the Financial Statements

2.10.3 Short-term and other long-term 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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

2.11 Income Taxes

2.11.1 Current and deferred tax for the year

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11.2 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.3 Deferred tax

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 the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 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.

Notes to the Financial Statements

2.12 Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price 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. Depreciation commences when the assets are ready for their intended use.

Freehold land and Assets held for sale are not depreciated.

Regulatory 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 respective regulators.

Non Regulatory Assets:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their 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 Regulatory and Non Regulatory assets are as follows:

Type of asset	Useful lives
Hydraulic Works	35 years
Buildings-Plant	25 to 35 years
Buildings-Others	25 to 35 years
Coal Jetty	25 years
Railway Sidings, Roads, Crossings, etc.	25 to 35 years
Plant and Equipment	25 to 35 years
Transmission Lines, Cable Network, etc.	25 to 35 years
Furniture and Fixtures	5 to 15 years
Office Equipment	5 years
Motor Vehicles, Launches, Barges, etc.	5 years
Helicopters	35 years

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 profit or loss.

2.13 Intangible assets

2.13.1 Intangible assets acquired separately

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to the Financial Statements

2.13.2 Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.13.3 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 profit or loss when the asset is derecognised.

2.13.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of asset	Useful lives
Technical Know-How and Prototypes	5 years
Licences	5 years
Computer Software	5 years

2.14 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

Notes to the Financial Statements

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

2.16 Provisions

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

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

2.16.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. 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.

2.16.2 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.

2.17 Financial Instruments

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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.18 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

2.18.1 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.

2.18.2 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.

Notes to the Financial Statements

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.

2.18.3 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 profit or loss.

2.18.4 Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

2.18.5 Impairment of financial assets (other than at fair value)

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 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.

2.19 Financial liabilities and equity instruments

2.19.1 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.

2.19.2 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 Company entity are recognised at the proceeds received, net of direct issue costs.

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

2.19.3 Financial liabilities

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

2.19.4 Financial guarantee contracts

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

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Notes to the Financial Statements

2.20 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 profit or loss immediately.

2.21 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Earnings per equity share

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 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.

2.24 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

Notes to the Financial Statements

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact on the financial statements.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors of the Company are 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 are:

Estimation of current tax and deferred tax expense - Note 24 and 33

Estimated fair value of unquoted securities and impairment of investments - Note 34

Estimation of defined benefit obligation - Note 39

Regulatory deferral accounts - Note 18

Estimation of values of contingent liabilities - Note 37

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

4. Property, Plant and Equipment

₹ 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	Helicopters	Total
Cost													
Balance as at 1st April, 2016	342.40	534.97	840.71	220.05	106.10	44.59	9,143.06	2,603.43	75.63	30.30	22.73	37.01	14,000.98
Additions	2.22	0.90	44.96	7.30	Nil	2.47	297.97	186.58	2.97	1.44	Nil	Nil	546.81
Disposals	Nil	Nil	1.30	1.68	Nil	0.01	66.56	1.06	0.27	0.25	Nil	Nil	71.13
Reclassified as held for sale	49.83	0.34	6.81	Nil	Nil	0.57	58.24	2.94	Nil	Nil	Nil	Nil	118.73
Balance as at 31st March, 2017	294.79	535.53	877.56	225.67 @	106.10	46.48	9,316.23	2,786.01	78.33	31.49	22.73	37.01	14,357.93
Accumulated depreciation and impairment													
Balance as at 1st April, 2016	Nil	257.84	204.86	71.81	39.19	19.65	4,220.31	839.59	35.47	19.11	17.66	23.96	5,749.45
Depreciation Expense	Nil	12.66	26.03	6.80	5.60	1.57	406.72	111.74	6.00	2.97	0.68	3.15	583.92
Eliminated on disposal of assets	Nil	Nil	0.83	0.80	Nil	0.01	58.35	0.99	0.22	0.23	Nil	Nil	61.43
Reclassified as held for sale	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	270.32	228.14	77.81	44.79	21.00	4,527.83	949.28	41.25	21.85	18.34	27.11	6,227.72
Net carrying amount													
As at 31st March, 2017	**294.79**	**265.21**	**649.42**	**147.86**	**61.31**	**25.48**	**4,788.40**	**1,836.73**	**37.08**	**9.64**	**4.39**	**9.90**	**8,130.21**
As at 31st March, 2016	***342.40***	***277.13***	***635.85***	***148.24***	***66.91***	***24.94***	***4,922.75***	***1,763.84***	***40.16***	***11.19***	***5.07***	***13.05***	***8,251.53***

₹ 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	Helicopters	Total
Cost													
Balance as at 1st April, 2015	*338.80*	*534.30*	*777.84*	*213.46*	*106.10*	*44.05*	*8,958.38*	*2,354.80*	*70.63*	*28.70*	*24.00*	*37.00*	*13,488.06*
Additions	*3.60*	*0.67*	*85.92*	*6.59*	*Nil*	*0.54*	*407.09*	*253.52*	*5.61*	*2.05*	*0.14*	*0.01*	*765.74*
Disposals	*Nil*	*Nil*	*23.05*	*Nil*	*Nil*	*Nil*	*222.41*	*4.89*	*0.61*	*0.45*	*1.41*	*Nil*	*252.82*
Balance as at 31st March, 2016	*342.40*	*534.97*	*840.71*	*220.05 @*	*106.10*	*44.59*	*9,143.06*	*2,603.43*	*75.63*	*30.30*	*22.73*	*37.01*	*14,000.98*
Accumulated depreciation and impairment													
Balance as at 1st April, 2015	*Nil*	*240.67*	*198.38*	*66.66*	*33.59*	*18.00*	*4,018.31*	*742.05*	*29.78*	*14.08*	*17.36*	*20.81*	*5,399.69*
Depreciation Expense	*Nil*	*17.17*	*25.53*	*5.15*	*5.60*	*1.65*	*393.14*	*101.64*	*5.78*	*5.33*	*1.47*	*3.15*	*565.61*
Eliminated on disposal of assets	*Nil*	*Nil*	*19.05*	*Nil*	*Nil*	*Nil*	*191.14*	*4.10*	*0.09*	*0.30*	*1.17*	*Nil*	*215.85*
Balance as at 31st March, 2016	*Nil*	*257.84*	*204.86*	*71.81*	*39.19*	*19.65*	*4,220.31*	*839.59*	*35.47*	*19.11*	*17.66*	*23.96*	*5,749.45*
Net carrying amount													
As at 31st March, 2016	***342.40***	***277.13***	***635.85***	***148.24***	***66.91***	***24.94***	***4,922.75***	***1,763.84***	***40.16***	***11.19***	***5.07***	***13.05***	***8,251.53***
As at 1st April, 2015	***338.80***	***293.63***	***579.46***	***146.80***	***72.51***	***26.05***	***4,940.07***	***1,612.75***	***40.85***	***14.62***	***6.64***	***16.19***	***8,088.37***

Notes:

@ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.

* Denotes figures below ₹ 50,000/-.

Notes to the Financial Statements

5. Intangible Assets

₹ crore

	Computer software $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2016	147.98	68.82	0.26	217.06
Additions	64.28	35.34	Nil	99.62
Balance as at 31st March, 2017	212.26	104.16	0.26	316.68
Accumulated amortisation and impairment				
Balance as at 1st April, 2016	49.03	27.23	0.26	76.52
Amortisation expense	34.39	15.90	Nil	50.29
Balance as at 31st March, 2017	83.42	43.13	0.26	126.81
Net carrying amount				
As at 31st March, 2017	**128.84**	**61.03**	**Nil**	**189.87**
As at 31st March, 2016	**98.95**	**41.59**	**Nil**	**140.54**

₹ crore

	Computer software $	Copyrights, patents, other intellectual property rights, services and operating rights #	Licences and franchises $	Total
Cost				
Balance as at 1st April, 2015	*124.32*	*55.08*	*0.26*	*179.66*
Additions	*23.66*	*13.74*	*Nil*	*37.40*
Balance as at 31st March, 2016	*147.98*	*68.82*	*0.26*	*217.06*
Accumulated amortisation and impairment				
Balance as at 1st April, 2015	*21.32*	*16.09*	*0.26*	*37.67*
Amortisation expense	*27.71*	*11.14*	*Nil*	*38.85*
Balance as at 31st March, 2016	*49.03*	*27.23*	*0.26*	*76.52*
Net carrying amount				
As at 31st March, 2016	***98.95***	***41.59***	***Nil***	***140.54***
As at 1st April, 2015	***103.00***	***38.99***	***Nil***	***141.99***

Notes:

Internally generated intangible assets.

$ Other than internally generated intangible assets.

Depreciation/Amortisation:

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Depreciation on Tangible Assets	583.92	*565.61*
Add: Amortisation on Intangible Assets	50.29	*38.85*
Total	**634.21**	***604.46***

Notes to the Financial Statements

6. Non-current Investments

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ 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							
Chemical Terminal Trombay Ltd.	1,86,200	*1,86,200*	*1,86,200*	100	37.81	*37.81*	*37.81*
Tata Power Trading Co. Ltd.	1,60,00,000	*1,60,00,000*	*1,60,00,000*	10	37.09	*37.00*	*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.#	608,34,20,000	*603,04,20,000*	*598,05,70,000*	10	6,676.26	*6,443.85*	*6,047.90*
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*
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	*12,47,63,344*	*12,47,63,344*	USD 1	607.95	*575.02*	*575.02*
Tata Power Delhi Distribution Ltd.	28,15,20,000	*28,15,20,000*	*28,15,20,000*	10	200.93	*200.93*	*200.93*
Tata Power Jamshedpur Distribution Ltd.	80,50,000	*80,50,000*	*50,000*	10	8.05**	*8.05***	*0.05*
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)	91,10,000	*91,10,000*	*91,10,000*	2	9.11**	*9.11***	*9.11* **
Tata Power Renewable Energy Ltd.#	56,61,07,715	*50,61,07,715*	*48,76,07,715*	10	575.05	*506.11*	*487.61*
Tata Power Solar Systems Ltd.	2,29,77,567	*2,29,77,567*	*67,77,567*	100	322.98	*322.98*	*148.31*
Tata Power International Pte. Ltd.	6,77,30,650	*1,79,50,000*	*1,79,50,000*	USD 1	577.55	*264.35*	*264.35*
Af-Taab Investment Co. Ltd.	10,73,000	*10,73,000*	*10,73,000*	100	68.68	*68.68*	*68.68*
					10,501.78	*9,854.21*	*9,257.09*
** *Less:* Impairment in the value of Investments					17.16	*17.16*	*9.11*
					10,484.62	*9,837.05*	*9,247.98*
(ii) Investment in Perpetual Securities							
Unquoted							
Tata Power Renewable Energy Ltd. (Refer Note 5 below)	N.A.	Nil	*Nil*		3,895.00	*Nil*	*Nil*
Coastal Gujarat Power Ltd. (Refer Note 5 below)	N.A.	Nil	*Nil*		4,459.89	*Nil*	*Nil*
					18,850.58	*9,848.12*	*9,259.05*
(b) Investment in Associates							
(i) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
Tata Communications Ltd.	1,34,22,037	*1,34,22,037*	*1,34,22,037*	10	343.81	*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.	9,67,500	*9,67,500*	*9,67,500*	100	85.01	*85.01*	*85.01*
Rujuvalika Investments Ltd.	Nil	*Nil*	*1,83,334*	10	Nil	*Nil*	*0.30*
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.	59,08,82,000	*59,08,82,000*	*59,08,82,000*	10	600.00	*600.00*	*600.00*
					792.58	*792.58*	*792.88*
					1,136.39	*1,136.39*	*1,136.69*
(c) Investment in Joint Ventures							
(I) Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Unquoted							
Tubed Coal Mines Ltd.#	1,81,97,800	*1,81,17,800*	*1,78,36,000*	10	18.20**	*18.12***	*17.84* **
Itezhi Tezhi Power Corporation	4,52,500	*4,52,500*	*Nil*	ZMW 1	275.74	*275.74*	*Nil*
Carried over......					20,280.91	*11,278.37*	*10,413.58*

Notes to the Financial Statements

6. Non-current Investments *(Contd.)*

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward......					20,280.91	*11,278.37*	*10,413.58*
Mandakini Coal Company Ltd.#	3,93,00,000	*3,93,00,000*	*3,93,00,000*	10	39.30**	*39.30***	*39.30 ***
Powerlinks Transmission Ltd.#	23,86,80,000	*23,86,80,000*	*23,86,80,000*	10	238.68	*238.68*	*238.68*
Industrial Energy Ltd.#	49,28,40,000	*49,28,40,000*	*46,53,12,000*	10	492.84	*492.84*	*465.31*
LTH Milcom Private Limited	66,660	*Nil*	*Nil*	10	0.07	*Nil*	*Nil*
Dugar Hydro Power Ltd.	4,32,50,002	*4,32,50,002*	*3,80,00,002*	10	43.25**	*43.25*	*38.00*
					1,108.08	*1,107.93*	*799.13*
** *Less:* Impairment in the value of Investments					75.50	*57.42*	*37.10*
					1,032.58	*1,050.51*	*762.03*
					21,019.55	*12,035.02*	*11,157.77*
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	*6,48,59,930*	*6,48,59,930*	USD 1	Nil	*258.27*	*243.65*
III Investments carried at Fair Value through Other Comprehensive Income							
Investment in Equity Shares fully Paid-up (unless otherwise stated)							
Quoted							
HDFC Bank Ltd.	7,500	*7,500*	*7,500*	2	1.08	*0.80*	*0.77*
IDBI Bank Ltd.	1,42,720	*1,42,720*	*1,42,720*	10	1.07	*1.00*	*1.01*
Voltas Ltd.	2,33,420	*2,33,420*	*2,33,420*	1	9.62	*6.49*	*6.53*
Tata Consultancy Services Ltd.	452	*452*	*452*	1	0.11	*0.12*	*0.12*
Tata Teleservices (Maharashtra) Ltd.	Nil	*13,72,63,174*	*13,72,63,174*	10	Nil*	*90.59*	*107.75*
					11.88	*99.00*	*116.18*
Unquoted							
Tata Services Ltd.	1,112	*1,112*	*1,112*	1,000	Nil	*Nil*	*Nil*
Indian Energy Exchange Ltd.	Nil	*12,50,000*	*12,50,000*	10	Nil*	*98.04*	*70.07*
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 Teleservices Ltd.#	32,83,97,823	*32,83,97,823*	*32,83,97,823*	10	384.88	*509.34*	*766.48*
					786.00	*1,008.50*	*1,237.67*
					797.88	*1,107.50*	*1,353.85*
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.	2,55,00,000	*2,55,00,000*	*2,55,00,000*	100	255.00	*255.00*	*255.00*
Tata Power Solar Systems Ltd.	Nil	*Nil*	*45,00,000*	100	Nil	*Nil*	*45.00*
					255.00	*255.00*	*300.00*
(b) Statutory Investments							
(i) Contingencies Reserve Fund Investments							
Government Securities (Unquoted)							
7.88% GOI (2030)	10,00,000	*10,00,000*	*Nil*	100	10.00	*10.00*	*Nil*
6.79% GOI (2029)	10,00,000	*Nil*	*Nil*	100	9.59	*Nil*	*Nil*
8.28% GOI (2027)	11,30,000	*11,30,000*	*11,30,000*	100	11.30	*11.30*	*11.30*
Carried over......					22,103.32	*13,677.09*	*13,066.57*

Notes to the Financial Statements

6. Non-current Investments *(Contd.)*

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Brought forward......					22,103.32	*13,677.09*	*13,066.57*
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)	9,00,000	*9,00,000*	*Nil*	100	9.00	*9.00*	*Nil*
6.84% GOI (2022)	66,000	*Nil*	*Nil*	100	0.67	*Nil*	*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)	16,01,300	*16,01,300*	*16,01,300*	100	16.01	*16.01*	*16.01*
7.83% GOI (2018)	10,00,000	*10,00,000*	*10,00,000*	100	10.00	*10.00*	*10.00*
7.99% GOI (2017)	Nil	*8,48,700*	*8,48,700*	100	Nil	*8.49*	*8.49*
7.49% GOI (2017)	Nil	*7,36,000*	*7,36,000*	100	Nil	*7.36*	*7.36*
7.59% GOI (2016)	Nil	*Nil*	*19,000*	100	Nil	*Nil*	*0.19*
					90.75	*96.34*	*77.53*
(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)	2,48,700	*2,48,700*	*2,48,700*	100	2.49	*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	*15,00,000*	*15,00,000*	100	Nil	*15.00*	*15.00*
7.99% GOI (2017)	Nil	*33,49,300*	*33,49,300*	100	Nil	*33.49*	*33.49*
7.49% GOI (2017)	Nil	*25,00,000*	*25,00,000*	100	Nil	*25.00*	*25.00*
					206.09	*279.58*	*279.58*
(iii) Others							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*Nil*	*3,000*	100	Nil	*Nil*	*0.03*
					296.84	*375.92*	*357.14*
					551.84	*630.92*	*657.14*
Total					**22,369.27**	***14,031.71***	***13,412.41***

* Re-classified as Asset Held For Sale (Refer Note 17)
** Impairment in value of Investments
# Refer Note 37(c)(ii)

Notes:

1. Aggregate Market Value of Quoted Investments	1,068.43	*705.37*	*759.07*
2. Aggregate Carrying Value of Quoted Investments	366.76	*453.88*	*471.06*
3. Aggregate Carrying Value of Unquoted Investments	22,095.17	*13,652.41*	*12,987.56*
4. Aggregate amount of impairment in value of Investments	92.66	*74.58*	*46.21*

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's 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%.

The Company has assessed its control over TCL based on whether the Company has practical ability to direct TCL's relevant activities unilaterally. After the assessment, the Company concluded that it has sufficiently dominant voting interest to direct TCL's relevant activities and therefore the Company has control over TCL. Accordingly, investment in the said Company has been considered as investment in subsidiary.

Notes to the Financial Statements

7. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current Trade Receivables			
Trade Receivables from Others	185.76	185.76	185.76
Total	**185.76**	**185.76**	**185.76**

Current Trade Receivables	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Considered good	1,234.26	1,057.23	1,559.38
Considered doubtful	43.70	24.40	22.54
	1,277.96	1,081.63	1,581.92
Less: Allowance for Doubtful Trade Receivables	43.70	24.40	22.54
Total	**1,234.26**	**1,057.23**	**1,559.38**

Note:

Company holds security deposits of ₹ 174.57 crore (*31st March, 2016 - ₹ 170.29 crore, 1st April, 2015 - ₹ 152.21 crore*) in respect of Electricity Receivables.

7.1 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.

Of the trade receivables balance as at 31st March, 2017, ₹ 902.66 crore is due from Brihanmumbai Electric Supply & Transport Undertaking, Reliance Infrastructure Ltd., Maharashtra State Electricity Transmission Company Limited, Tata Steel Limited and Ministry of Defence which represents Company's large customers. There is no other customer which individually represents 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 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	**Expected Credit loss (%)**
Within the credit period	0.04%
1 - 90 days past due	0.27%
91 - 182 days past due	0.04%
More than 182 days past due	5.76%

Age of receivables	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Within the credit period	771.48	753.46	766.98
1 - 90 days past due	121.00	64.86	481.12
91 - 182 days past due	126.39	34.66	157.56
More than 182 days past due	444.85	414.41	362.02

Movement in the allowance for doubtful trade receivables	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Balance at the beginning of the year	24.40	22.54	23.42
Add: Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	1.87	1.86	(0.88)
Add: Specific allwance on trade receivables for the year $	17.43	Nil	Nil
Balance at the end of the year	**43.70**	**24.40**	**22.54**

$ As at 31st March, 2017, certain Trade Receivables have been unable to make payments for outstanding amounts of ₹ 17.43 crore as the amounts are disputed. Consequent to termination of the contract with the customers, the management believes it is prudent to provide for the specific allowance.

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

8. Loans

(Unsecured unless otherwise stated)

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current			
Loans to Related Parties			
Considered good	15.48	*3,636.85*	*2,858.66*
Considered doubtful	55.46	*55.43*	*1.27*
	70.94	*3,692.28*	*2,859.93*
Less: Allowance for Doubtful Loans	55.46	*55.43*	*1.27*
	15.48	*3,636.85*	*2,858.66*
Other Loans			
Loans to Employees	7.34	*7.60*	*8.62*
Total	**22.82**	***3,644.45***	***2,867.28***

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Current			
Loans to Related Parties	Nil	*106.00*	*39.86*
Total	**Nil**	***106.00***	***39.86***

9. Finance Lease Receivable

(Unsecured unless otherwise stated)

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Finance Lease Receivable - Non-current	**573.47**	***617.63***	***661.09***
Finance Lease Receivable - Current	**39.16**	***48.80***	***42.51***

9.1 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 same on the basis of the valuation determined under the PPAs. This arrangement analysis pursuant to Ind AS 17 "Leases" identified an embedded finance lease and accordingly, the said arrangement has been accounted as per Ind AS 17.

Notes to the Financial Statements

9. Finance Lease Receivable *(Contd.)*

9.2 Amount receivable under Finance Lease

	Minimum Lease Payments			Present value of minimum lease payments		
	As at 31st March, 2017 ₹ crore	***As at 31st March, 2016 ₹ crore***	***As at 1st April, 2015 ₹ crore***	**As at 31st March, 2017 ₹ crore**	***As at 31st March, 2016 ₹ crore***	***As at 1st April, 2015 ₹ crore***
Not later than one year	107.58	*138.42*	*139.06*	23.37	*48.73*	*43.10*
Later than one year and not later than five years	504.71	*512.42*	*550.35*	133.47	*123.14*	*142.10*
Later than five years	795.49	*900.42*	*994.99*	455.79	*494.56*	*518.40*
	1,407.78	***1,551.26***	***1,684.40***	**612.63**	***666.43***	***703.60***
Unearned finance income	795.15	*884.83*	*980.80*	Nil	*Nil*	*Nil*
Present value of minimum lease payments receivable	**612.63**	***666.43***	***703.60***	**612.63**	***666.43***	***703.60***
Allowance for uncollectible lease payments	Nil	*Nil*	*Nil*	Nil	*Nil*	*Nil*
	612.63	***666.43***	***703.60***	**612.63**	***666.43***	***703.60***

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 12.76% - 16.34% per annum (as at 31st March, 2016: 12.76% - 16.34% per annum, as at 1st April 2015: 12.76% - 16.34% per annum)

10. Other Financial Assets

	As at 31st March, 2017 ₹ crore	***As at 31st March, 2016 ₹ crore***	***As at 1st April, 2015 ₹ crore***
Non-current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Financial Assets from Reated Parties	Nil	*34.14*	*12.81*
Interest Accrued on Loans to Related Parties	Nil	*311.59*	*312.82*
Doubtful			
Interest Accrued on Loans to Related Parties	1.24	*1.24*	*Nil*
	1.24	*346.97*	*325.63*
Less: Allowance for Doubtful Interest	1.24	*1.24*	*Nil*
	Nil	*345.73*	*325.63*
(ii) Security Deposits			
Unsecured, considered good	53.46	*50.78*	*62.08*
Doubtful	31.93	*29.43*	*22.59*
	85.39	*80.21*	*84.67*
Less: Allowance for Doubtful Deposits	31.93	*29.43*	*22.59*
	53.46	*50.78*	*62.08*
(iii) Others			
Unsecured, considered good			
Advance towards Equity	168.00	*Nil*	*Nil*
Regulatory Assets other than Distribution Business	460.09	*609.75*	*950.76*
Other Advances [Refer Note 34(c)]	138.55	*Nil*	*Nil*
	766.64	*609.75*	*950.76*
Total	**820.10**	***1,006.26***	***1,338.47***

Notes to the Financial Statements

10. Other Financial Assets *(Contd.)*

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Current			
(i) Accruals			
Unsecured, considered good			
Interest Accrued on Inter-corporate/Bank Deposits	Nil	*0.48*	*5.05*
Interest Accrued on Investments	6.42	*6.30*	*5.86*
Interest Accrued on Finance Lease Receivable	11.73	*12.08*	*12.66*
Interest Accrued on Financial Assets at Amortised Cost	30.60	*30.60*	*38.29*
Interest Accrued on Loans to Related Parties	1.35	*1.33*	*37.40*
Doubtful			
Interest Accrued on Inter-corporate Deposits	1.49	*4.02*	*Nil*
	51.59	*54.81*	*99.26*
Less: Allowance for Doubtful Interest	1.49	*4.02*	*Nil*
	50.10	*50.79*	*99.26*
(ii) Security Deposits			
Unsecured, considered good	0.59	*3.61*	*3.65*
(iii) Inter-corporate Deposits			
Unsecured, considered good	Nil	*24.00*	*24.00*
(iv) Others			
Unsecured, considered good			
Regulatory Assets other than Distribution Business	212.64	*85.09*	*Nil*
Dividend Receivable	92.23	*Nil*	*75.00*
Derivative Contracts	Nil	*12.17*	*15.90*
Insurance Claims Receivable	21.15	*36.40*	*54.02*
	326.02	*133.66*	*144.92*
Total	**376.71**	***212.06***	***271.83***

11. Non-current Tax Assets

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Advance Income-tax (Net)	Nil	*Nil*	*49.52*
Total	**Nil**	***Nil***	***49.52***

Notes to the Financial Statements

12. Other Assets

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
(i) Capital Advances			
Unsecured, considered good	39.94	36.43	17.68
Doubtful	0.21	0.24	0.72
	40.15	36.67	18.40
Less: Allowance for Doubtful Advances	0.21	0.24	0.72
	39.94	36.43	17.68
(ii) Security Deposits			
Unsecured, considered good	227.00	227.00	227.00
(iii) Balances with Government Authorities			
Unsecured, considered good			
Advances	27.09	0.10	Nil
Amount Paid Under Protest	164.96	164.93	164.97
VAT/Sales Tax Receivable	76.14	103.34	131.24
	268.19	268.37	296.21
(iv) Unamortised Premium for Leasehold Land			
Unsecured, considered good	549.46	582.55	595.02
(v) Others			
Unsecured, considered good			
Prepaid Expenses	9.31	16.42	20.34
Others	11.25	13.19	9.23
Doubtful	2.22	2.15	4.29
	22.78	31.76	33.86
Less: Allowance for Doubtful Advances	2.22	2.15	4.29
	20.56	29.61	29.57
Total	**1,105.15**	**1,143.96**	**1,165.48**
Current			
(i) Balances with Government Authorities			
Unsecured, considered good			
Advances	34.72	54.16	36.63
(ii) Unamortised Premium for Leasehold Land			
Unsecured, considered good	14.50	14.50	14.50
(iii) Others			
Unsecured, considered good			
Prepaid Expenses	14.83	15.21	19.32
Advances to Vendors	197.28	215.61	214.31
Other Advances	12.50	45.58	11.80
Doubtful	1.47	1.47	1.47
	226.08	277.87	246.90
Less: Allowance for Doubtful Advances	1.47	1.47	1.47
	224.61	276.40	245.43
Total	**273.83**	**345.06**	**296.56**

Notes to the Financial Statements

13. Inventories

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Inventories (lower of cost and net realisable value)			
(a) Raw Materials			
Fuel - Stores	202.68	*273.60*	*291.79*
Fuel-in-Transit	107.08	*60.05*	*53.71*
(b) Work-In-Progress	22.83	*15.45*	*Nil*
(c) Stores and Spares			
Stores and Spare Parts	257.06	*262.31*	*259.86*
Stores-in-Transit	4.44	*15.01*	*13.69*
(d) Loose Tools	0.30	*0.25*	*0.22*
(e) Others			
Property under Development	76.70	*62.38*	*49.91*
Total	**671.09**	***689.05***	***669.18***

During the year ended 31st March, 2017 the Company has recognised ₹ 62.74 crore (*31st March, 2016 - ₹ Nil*) as an expense for inventories carried at net realisable value.

14. Current Investments

	As at 31st March, 2017 Quantity	*As at 31st March, 2016 Quantity*	*As at 1st April, 2015 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
I Investment carried at Amortised Cost							
Statutory Investments							
Contingency Reserve Fund Investments							
Government Securities (Unquoted)							
7.49% GOI (2017)	7,36,000	*Nil*	*Nil*	100	7.36	*Nil*	*Nil*
7.99% GOI (2017)	8,48,700	*Nil*	*Nil*	100	8.49	*Nil*	*Nil*
7.59% GOI (2016)	Nil	*19,000*	*Nil*	100	Nil	*0.19*	*Nil*
					15.85	*0.19*	*Nil*
Deferred Taxation Liability Fund Investments							
Government Securities (Unquoted)							
6.25% GOI (2018)	1,500,000	*Nil*	*Nil*	100	15.00	*Nil*	*Nil*
7.49% GOI (2017)	25,00,000	*Nil*	*Nil*	100	25.00	*Nil*	*Nil*
7.99% GOI (2017)	33,49,300	*Nil*	*Nil*	100	33.49	*Nil*	*Nil*
					73.49	*Nil*	*Nil*
Other Investments							
Government Securities (Unquoted)							
8.07% GOI (2017)	Nil	*3,000*	*Nil*	100	Nil	*0.03*	*Nil*
					89.34	*0.22*	*Nil*
II Investments carried at Fair Value through Profit and Loss							
Mutual Funds (Unquoted)							
JM High Liquidity Fund - Direct Plan - Growth	Nil	*Nil*	*55,234*	1,000	Nil	*Nil*	*14.01*
Tata Money Market Fund - Direct Plan - Growth	Nil	*Nil*	*54,228*	1,000	Nil	*Nil*	*14.01*
Religare Invesco Liquid Fund - Direct Plan - Growth	Nil	*Nil*	*72,771*	1,000	Nil	*Nil*	*14.00*
					Nil	*Nil*	*42.02*
Total					**89.34**	***0.22***	***42.02***

Notes to the Financial Statements

15. Cash and Cash Equivalents

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
(i) Balances with Banks:			
In Current Accounts	43.56	32.60	61.82
In Deposit Accounts (with original maturity less than three months)	98.00	1.22	204.00
(ii) Cheques on Hand	Nil	Nil	0.02
(iii) Cash on Hand	0.04	0.01	0.01
Cash and Cash Equivalents as per Balance Sheet	**141.60**	**33.83**	**265.85**
Bank Overdraft (Refer Note 26)	(0.32)	(148.93)	Nil
Cash and Cash Equivalents as per Statement of Cash Flows	**141.28**	**(115.10)**	**265.85**

16. Other Balances with Banks

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
(a) In Deposit Accounts	1.94	0.71	1.94
(b) In Earmarked Accounts-			
Unpaid Dividend Account	12.53	11.35	11.48
Total	**14.47**	**12.06**	**13.42**

Notes to the Financial Statements

17. Assets classified as held for sale

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	*As at 1st April, 2015 ₹ crore*
Freehold land held for sale (i)	15.83	*Nil*	*Nil*
Property, Plant and Equipment held for sale (ii)	24.68	*Nil*	*Nil*
Investments carried at Fair Value through Other Comprehensive Income (iii)	195.21	*Nil*	*Nil*
Total	**235.72**	***Nil***	***Nil***
Liabilities associated with assets held for sale	**Nil**	***Nil***	***Nil***

(i) (a) The Company had a power generation unit at Belgaum, Karnataka. Operations at the unit have been discontinued on 28th February, 2013 with conclusion of Power Purchase Agreement with the customers. The Company has disposed of majority of the assets located at the unit and is in the process of disposing of the Freehold land. During the year ended 31st March, 2017, the Company has reclassified the said land as asset held for sale. No impairment loss has been recognised on reclassification as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount of ₹ 2.90 crore as at 31st March, 2017.

(b) The Company was in the process of setting up a thermal power generation unit in Jharkhand state and accordingly had acquired Freehold land at Tiruldih. Coal for the unit was planned to be sourced from Tubed coal block in Latehar district. However, in 2014, the H'onble Supreme Court de-allocated the said coal block. As a result, the project was left with no fuel supply and has become unviable. Hence, the Company has decided to dispose of the Freehold land at Tiruldih. During the year ended 31st March, 2017, the Company has reclassified the said land as asset held for sale. Accordingly, the Freehold Land is being carried in the books at its fair value less cost to sell of ₹ 9.72 crore (i.e. fair value estimated based on market price of similar properties near the location less costs to sell the land) resulting in the recognition of ₹ 34 crore as impairment loss in the statement of profit and loss.

(c) The Company has ceased power generation at its Diesel (DG set) based unit at Vadaval, Maharashtra and has disposed of the DG sets. The Company is in the process of disposing freehold land. During the year ended 31st March, 2017, the Company has reclassified the said freehold land at the the said unit as asset held for sale. No impairment loss has been recognised on reclassification as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount ₹ 3.21 crore as at 31st March, 2017.

(ii) The Company has ceased power generation at Unit 4 at Trombay, Maharashtra and has initiated process for disposal of its assets. During the year ended 31st March, 2017, the Company has reclassified property, plant and equipment at the said unit as asset held for sale. No impairment loss has been recognised on reclassification as the Company expects that the estimated fair value less costs to sell is higher than the carrying amount of ₹ 24.68 crore as at 31st March, 2017.

(iii) The Company has decided to divest certain portion of its investments carried at fair value through other comprehensive income in Tata Teleservices (Maharashtra) Limited and Indian Energy Exchange Limited. Hence, the said investments have been classified as held for sale at fair value of ₹ 195.21 crore as at 31st March, 2017.

Notes to the Financial Statements

18. Regulatory Deferral Account

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Regulatory Deferral Account - Liability			
Regulatory Liabilities	656.00	680.38	18.36
Total	**656.00**	**680.38**	**18.36**
Regulatory Deferral Account - Asset			
Regulatory Assets	1,914.00	2,093.09	1,841.86
Total	**1,914.00**	**2,093.09**	**1,841.86**

Rate Regulated Activities

(i) As per the Ind AS-114 '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 as on 31st March, 2017, is as follows:

		As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore
Opening Regulatory Assets net of Liabilities	(A)	1,412.71	1,823.50
Regulatory Income/(Expenses) during the year			
(i) Power Purchase Cost		2,206.98	2,558.42
(ii) Other expenses as per the terms of Tariff Regulations including ROE		872.55	951.58
(iii) Collected during the year as per approved Tariff		(3,092.53)	(3,948.00)
Regulatory Income/(Expenses) (net) (i + ii + iii)		(13.00)	(438.00)
Regulatory Income (net) in respect of earlier years		77.00	56.59
Income/(Expenses) on account of Rate Regulated Activities	(B)	64.00	(381.41)
Carrying cost recognised in the Statement of Profit and Loss relating to uncollected amounts	(C)	103.54	220.00
Amount Collected (net) in respect of earlier years	(D)	(322.25)	(249.38)
Closing Regulatory Asset	(A + B + C + D)	1,258.00	1,412.71
Regulatory Assets		1,914.00	2,093.09
Regulatory Liabilities		(656.00)	(680.38)
		1,258.00	**1,412.71**

Notes to the Financial Statements

19 a. Equity - Share Capital

	As at 31st March, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Authorised						
Equity Shares of ₹ 1/- each	300,00,00,000	300.00	*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*
		529.00		*529.00*		*529.00*
Issued						
Equity Shares [including 28,32,060 shares *(31st March, 2016 - 29,76,172 shares, 1st April, 2015 - 29,80,316 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, 2016 - 29,76,172 shares, 1st April, 2015 - 29,80,316 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	*270,46,29,398*	*270.46*	*270,46,25,254*	*270.46*
Less: Calls in arrears [including ₹ 0.01 crore *(31st March, 2016 - ₹ 0.01 crore, 1st April, 2015 - ₹ 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		*270.42*		*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**		***270.48***		***270.48***

Notes to the Financial Statements

19 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, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	Number	₹ crore	*Number*	*₹ crore*	*Number*	*₹ crore*
Equity Shares						
At the beginning of the year	270,62,81,698	270.48	270,62,77,554	270.48	*237,47,24,660*	*237.33*
Issued during the year	144,112	0.02	4,144	*	*33,15,52,894*	*33.15*
Outstanding at the end of the year	270,64,25,810	**270.50**	270,62,81,698	**270.48**	*270,62,77,554*	***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, 2017		*As at 31st March, 2016*		*As at 1st April, 2015*	
	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	*82,18,99,682*	*30.39*
Life Insurance Corporation of India	33,22,45,379	12.28	36,98,66,780	13.68	*35,48,05,781*	*13.12*
Matthews Pacific Tiger Fund	16,46,20,436	6.09	16,56,20,436	6.12	*16,75,45,436*	*6.19*

19 b. Unsecured Perpetual Securities

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
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 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. 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

20. Other Equity

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*
General Reserve		
Opening Balance	3,866.24	*3,789.08*
Add: Amount transferred from Retained Earnings	Nil	*77.16*
Closing Balance	3,866.24	*3,866.24*
Securities Premium Reserve		
Opening Balance	5,634.13	*5,634.11*
Add: Share Premium collected during the year	0.85	*0.02*
Closing Balance	5,634.98	*5,634.13*
Debenture Redemption Reserve		
Opening Balance	545.24	*434.66*
Add: Amount transferred from Retained Earnings	455.66	*110.58*
Closing Balance	1,000.90	*545.24*
Capital Redemption Reserve	1.60	*1.60*
Capital Reserve	61.66	*61.66*
Retained Earnings		
Opening balance (Refer Note 1 below)	5,110.80	*4,423.94*
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	(7.45)	*(5.20)*
Profit for the year	283.45	*1,354.99*
Less: Payment of Dividend (Refer Note 2 below)	351.99	*351.99*
Tax on Dividend	0.59	*11.60*
Transfer from Equity Instrument through Other Comprehensive Income	0.04	*Nil*
Transfer to General Reserve	Nil	*77.16*
Transfer to Debenture Redemption Reserve	455.66	*110.58*
Distribution on Unsecured Perpetual Securities (Net of Tax)	112.44	*111.60*
	(644.72)	*686.86*
Closing Balance	4,466.08	*5,110.80*
Equity Instrument through Other Comprehensive Income		
Opening Balance	(139.69)	*113.11*
Add/(Less): Transfer to Retained Earnings (Refer Note 4 below)	0.04	*Nil*
Add/(Less): Change in Fair Value of Equity Instrument through Other Comprehensive Income	(113.97)	*(246.36)*
Gain on sale of Investment classified at FVTOCI	0.10	*Nil*
Deferred Tax	0.12	*(6.44)*
Closing Balance	(253.40)	*(139.69)*
Total	**14,778.06**	***15,079.98***

Notes:

1. Includes gain on fair valuation of land which is not available for distribution ₹ 222.31 crore (*31st March, 2016 - ₹ 222.31 crore*).
2. On 23rd September, 2016, a dividend of ₹ 1.30 per share was paid to the holders of fully paid equity shares. In August, 2015, the dividend paid was ₹ 1.30 per share.
3. In respect of the year ended 31st March, 2017, the directors propose 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.
4. During the year ended 31st March, 2017, the Company has sold 6,60,899 equity shares in Tata Teleservices (Maharashtra) Limited. The resultant loss of ₹ 0.04 crore has been transferred from Equity Instrument through Other Comprehensive Income to Retained Earnings.

Notes to the Financial Statements

20. Other Equity *(Contd.)*

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 is 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.

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

21. Non-current Borrowings

	As at 31st March, 2017 Non-current ₹ crore	As at 31st March, 2017 Current ₹ crore	As at 31st March, 2016 Non-current ₹ crore	As at 31st March, 2016 Current ₹ crore	As at 1st April, 2015 Non-current ₹ crore	As at 1st April, 2015 Current ₹ crore
(i) Unsecured - At Amortised Cost						
Redeemable Non-Convertible Debentures						
(a) 10.75% Series 2072	1,488.80	Nil	1,486.87	Nil	1,485.38	Nil
(b) 9.41% Series 2023	498.85	Nil	498.47	Nil	Nil	Nil
(c) 9.48% Series 2019	499.70	Nil	499.48	Nil	499.28	Nil
(d) 7.70% Series 2019	Nil	3,500.00	Nil	Nil	Nil	Nil
(e) 9.32% Series 2017	Nil	999.77	999.17	Nil	998.63	Nil
	2,487.35	4,499.77	3,483.99	Nil	2,983.29	Nil
Bonds						
(f) 8.50% Euro Notes 2017	Nil	386.22	394.54	Nil	372.21	Nil
Term Loans from Banks						
(g) ICICI Bank	605.00	Nil	Nil	2.90	2.90	5.80
(h) JP Morgan Chase Bank	Nil	Nil	Nil	200.00	200.00	Nil
(i) BNP Paribas	Nil	Nil	Nil	210.00	210.00	Nil
	605.00	Nil	Nil	412.90	412.90	5.80
Deferred Payment Liabilities						
(j) Sales Tax Deferral	28.33	15.17	43.01	13.98	56.99	11.15
(A)	**3,120.68**	**4,901.16**	**3,921.54**	**426.88**	**3,825.39**	**16.95**
(ii) Secured - At Amortised Cost						
Redeemable Non-Convertible Debentures						
(a) 9.15% Series 2025	137.82	16.00	153.73	16.00	169.70	16.00
(b) 9.15% Series 2025	174.80	25.00	199.73	25.00	224.70	25.00
(c) 9.40% Series 2022	209.54	Nil	209.44	Nil	209.35	Nil
(d) 10.10% Series 2018	500.00	Nil	500.00	Nil	500.00	Nil
(e) 10.40% Series 2018	500.00	Nil	500.00	Nil	500.00	Nil
(f) 7.10% Series 2015	Nil	Nil	Nil	Nil	Nil	217.33
	1,522.16	41.00	1,562.90	41.00	1,603.75	258.33
Term Loans from Banks						
(g) HDFC Bank	1,157.81	78.75	1,056.56	72.19	1,058.75	41.25
(h) ICICI Bank	123.00	Nil	60.00	Nil	Nil	Nil
(i) IDBI Bank	Nil	Nil	482.50	35.00	517.50	35.00
(j) Kotak Mahindra Bank	477.50	38.75	516.25	25.50	320.51	24.25
(k) State Bank of India	993.75	66.25	Nil	Nil	Nil	Nil
(l) IDFC Bank	1,127.90	90.10	1,038.00	90.10	Nil	Nil
	3,879.96	273.85	3,153.31	222.79	1,896.76	100.50
Term Loans from Others						
(m) Asian Development Bank	31.68	12.67	44.35	12.67	57.02	12.67
(n) Indian Renewable Energy Development Agency Limited	266.38	35.13	301.52	35.13	336.65	35.13
(o) Infrastructure Development Finance Company Limited	Nil	Nil	Nil	Nil	1,058.10	90.10
(p) Technology Development Board, Department of Science & Technology, Government of India	27.00	Nil	Nil	Nil	Nil	Nil
(q) Export Import Bank of India	Nil	Nil	Nil	Nil	Nil	0.31
	325.06	47.80	345.87	47.80	1,451.77	138.21
(B)	**5,727.18**	**362.65**	**5,062.08**	**311.59**	**4,952.28**	**497.04**
Total (A) + (B)	**8,847.86**	**5,263.81**	**8,983.62**	**738.47**	**8,777.67**	**513.99**

Notes to the Financial Statements

21. 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 and Gadag in Karnataka.

(iii) The Debentures mentioned in (c) have been secured by a charge on the land situated at Village Takve Khurd (Maharashtra).

(iv) The Debentures mentioned in (d) and (e) have been secured by a *pari passu* charge on land in Village Takve Khurd (Maharashtra) and movable and immovable properties in and outside Maharashtra, except assets of windmill projects, present and future.

(v) The Debentures mentioned in (f) had been secured by a charge on land in Village Takve Khurd (Maharashtra), movable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra, except assets of windmill projects, present and future.

(vi) The Loans from HDFC Bank and IDBI Bank, mentioned in (g) and (i) respectively have been secured by a *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.

(vii) The Loan from ICICI Bank, mentioned in (h) secured by way of first *pari-passu* charge on all the movable assets (excluding land and buildings), present and future (except assets of all windmill projects present and future), including movable machinery, current assets, machinery spares, tools and accessories.

(viii) The Loan from Kotak Mahindra Bank mentioned in (j) has been secured by a *pari passu* charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all wind mill projects, both present and future) including movable machinery, machinery spares, tools and accessories.

(ix) The Loan from State Bank of India mentioned in (k) has been secured by a pari passu charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all windmill projects, both present and future) including movable machinery, machinery spares, tools and accessories.

(x) The Loan from IDFC Bank (Loan from Infrastructure Development Finance Company Limited has been transferred to IDFC Bank on its demerger), mentioned in (l) and (o) have been secured by a *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.

(xi) The Loans from Asian Development Bank and Indian Renewable Energy Development Agency Limited mentioned in (m) and (n) respectively have been secured by a first charge on the tangible movable properties, plant & machinery and immovable properties situated at Khandke, Brahmanvel and Sadawaghapur in Maharashtra.

(xii) The Loan from Technology Development Board, Department of Science & Technology, Government of India mentioned in (p) is secured by way of Bank Guarantee.

21. Non-current Borrowings *(Contd.)*

Terms of Repayment

₹ crore

Particulars	Amount Outstanding as at 31st March, 2017	Financial Year											
		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
(i) Unsecured - At Amortised Cost													
Redeemable Non-Convertible Debentures													
(a) 10.75% Series 2072	1,500.00	The 10.75% Redeemable Non-Convertible Debentures are redeemable at par at the end of 60 years from the respective 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.											
(b) 9.41% Series 2023	500.00	-	-	-	-	-	500.00	-	-	-	-	-	-
(c) 9.48% Series 2019	500.00	-	-	500.00	-	-	-	-	-	-	-	-	-
(d) 7.70% Series 2019	3,500.00	3,500.00	-	-	-	-	-	-	-	-	-	-	-
(e) 9.32% Series 2017	1,000.00	1,000.00	-	-	-	-	-	-	-	-	-	-	-
Bonds													
(f) 8.50% Euro Notes (2017)	386.22 Equivalent (USD 59.56 million)	386.22 USD 59.56 million	-	-	-	-	-	-	-	-	-	-	-
Term Loans from Banks													
(g) ICICI Bank	605.00	-	605.00	-	-	-	-	-	-	-	-	-	-
Deferred Payment Liabilities													
(h) Sales Tax Deferral	43.50	Sales Tax Deferral is repayable in 150 installments commencing from April, 2013 and repayable in full by 2022.											
(ii) Secured - At Amortised Cost													
Redeemable Non-Convertible Debentures													
(a) 9.15% Series 2025	154.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	26.00	-	-	-
(b) 9.15% Series 2025	200.00	25.00	25.00	25.00	25.00	20.00	20.00	20.00	20.00	20.00	-	-	-
(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													
(f) HDFC Bank	1,236.56	78.75	95.00	395.00	65.00	65.00	65.00	65.00	65.00	91.25	125.94	38.12	87.50
(g) ICICI Bank	123.00	-	-	-	18.45	24.60	24.60	24.60	24.60	6.15	-	-	-
(h) Kotak Mahindra Bank	516.25	38.75	38.75	38.75	38.75	38.75	38.75	38.75	38.75	65.00	53.75	87.50	-
(i) State Bank of India	1,060.00	66.25	66.25	66.25	66.25	66.25	66.25	132.50	258.75	271.25	-	-	-
(j) IDFC Bank	1,218.00	90.10	341.65	158.75	76.25	76.25	76.25	146.25	116.25	16.25	16.25	16.25	87.50
Term Loans from Others													
(k) Asian Development Bank	44.35	12.67	12.67	12.67	6.34	-	-	-	-	-	-	-	-
(l) Indian Renewable Energy Development Agency Limited	301.52	35.13	35.13	35.13	32.20	29.26	29.26	29.26	76.15	-	-	-	-
(m) Technology Development Board, Department of Science & Technology, Government of India	27.00	-	3.02	6.00	6.00	5.99	5.99	-	-	-	-	-	-
	14,125.40												
Less- Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	13.73												
	14,111.67												

Notes to the Financial Statements

22. Other Financial Liabilities

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Non-current			
Security Deposits from Customers	31.98	*33.59*	*32.33*
Total	**31.98**	***33.59***	***32.33***

	As at 31st March, 2017 ₹ crore	*As at 31st March, 2016 ₹ crore*	*As at 1st April, 2015 ₹ crore*
Current			
(a) Current Maturities of Long-term Debt (Refer Note 21)	5,263.81	*738.47*	*513.99*
(b) Interest accrued but not due on Borrowings	396.87	*226.71*	*222.66*
(c) Investor Education and Protection Fund shall be credited by the following amounts namely: **			
Unpaid Dividend	16.32	*14.75*	*14.49*
Unpaid Matured Deposits	0.03	*0.03*	*0.03*
Unpaid Matured Debentures	0.09	*0.09*	*0.09*
(d) Other Payables			
Payables towards Purchase of Fixed Assets	177.08	*208.06*	*269.41*
Derivative Contracts	49.91	*9.54*	*0.47*
Security Deposits from Consumers	174.57	*170.29*	*152.21*
Security Deposits from Others	22.15	*2.73*	*4.95*
Tender Deposits from Vendors	1.33	*0.91*	*2.00*
Regulatory Liabilities other than Distribution Business	412.50	*353.21*	*885.50*
Other Financial Liabilities	117.66	*142.00*	*161.99*
Total	**6,632.32**	***1,866.79***	***2,227.79***

** Includes amounts outstanding aggregating ₹ 0.87 crore *(31st March, 2016 - ₹ 0.84 crore, 1st April, 2015 - ₹ 0.85 crore)* for more than seven years pending legal cases.

Notes to the Financial Statements

23. Provisions

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Provision for Employee Benefits			
Compensated Absences	89.22	77.07	77.57
Post-Employment Medical Benefits [Refer Note 39(2.3)]	24.86	20.57	18.49
Other Defined Benefit Plans [Refer Note 39(2.3)]	36.66	34.30	33.72
Other Employee Benefits	16.98	17.27	16.40
	167.72	149.21	146.18
Other Provisions			
Provision for Warranties	2.45	2.36	3.72
Total	**170.17**	**151.57**	**149.90**

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Current			
Provision for Employee Benefits			
Compensated Absences	5.65	5.86	5.41
Gratuity (Net) [Refer Note 39(2.3)]	8.67	28.66	26.17
Post-Employment Medical Benefits [Refer Note 39(2.3)]	0.83	0.73	0.64
Other Defined Benefit Plans [Refer Note 39(2.3)]	5.26	5.28	5.04
Other Employee Benefits	1.86	2.18	2.76
	22.27	42.71	40.02
Other Provisions			
Provision for Warranties	30.06	29.80	26.39
Provision for Wealth Tax	Nil	1.08	2.52
	30.06	30.88	28.91
Total	**52.33**	**73.59**	**68.93**

23.1 Other Provisions

₹ crore

	Warranties	Wealth Tax	Total
Balance as at 1st April, 2015	30.11	2.52	32.63
Additional provisions recognised	29.46	Nil	29.46
Reductions arising from payments	(1.76)	Nil	(1.76)
Reductions arising from remeasurements or settlement without cost	(25.65)	(1.44)	(27.09)
Balance as at 31st March, 2016	**32.16**	**1.08**	**33.24**
Balance as at 31st March, 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 costs	(28.72)	(1.08)	(29.80)
Balance as at 31st March, 2017	**32.51**	**Nil**	**32.51**

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.

Notes to the Financial Statements

24. Deferred Tax Liabilities (Net)

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Deferred Tax Assets	**84.34**	***96.35***	***98.90***
Deferred Tax Liabilities	**1,556.43**	***1,640.29***	***1,538.86***
Total - Net Deferred Tax Liabilities	**1,472.09**	***1,543.94***	***1,439.96***

₹ 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 below)	1,445.82	(85.30)	Nil	Nil	**1,360.52**
Financial Assets at Fair Value through Other Comprehensive Income	22.14	Nil	(0.12)	Nil	**22.02**
Distribution on Perpetual Bonds	24.20	Nil	Nil	0.46	**24.66**
Others	5.92	(1.17)	Nil	Nil	**4.75**
	1,640.29	**(84.20)**	**(0.12)**	**0.46**	**1,556.43**
Net Deferred Tax Liability	**1,543.94**	**(68.24)**	**(4.07)**	**0.46**	**1,472.09**

Note:

During the year ended 31st March, 2017, the Company has reassessed the deferred tax liabilities in respect of its units falling under tax holiday period having regard to (a) favourable order passed by the Dispute Resolution Panel (DRP) pursuant to the Order issued by the Hon'ble Supreme Court in respect of another assessee and (b) the Circular issued by the Central Board of Direct Taxes in this regard and has reversed deferred tax liabilities amounting to ₹ 180.85 crore.

₹ crore

2015-16	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	*17.54*	*2.42*	*Nil*	*Nil*	***19.96***
Provision for Employee Benefits, Entry Tax and Others	*81.36*	*(7.53)*	*2.56*	*Nil*	***76.39***
	98.90	***(5.11)***	***2.56***	***Nil***	***96.35***
Deferred Tax Liabilities in relation to					
Finance Leases	*147.34*	*(5.13)*	*Nil*	*Nil*	***142.21***
Property, Plant and Equipment	*1,344.43*	*101.39*	*Nil*	*Nil*	***1,445.82***
Financial Assets at Fair Value through Other Comprehensive Income	*15.70*	*Nil*	*6.44*	*Nil*	***22.14***
Distribution on Perpetual Bonds	*24.20*	*Nil*	*Nil*	*Nil*	***24.20***
Others	*7.19*	*(1.27)*	*Nil*	*Nil*	***5.92***
	1,538.86	***94.99***	***6.44***	***Nil***	***1,640.29***
Net Deferred Tax Liability	***1,439.96***	***100.10***	***3.88***	***Nil***	***1,543.94***

Notes to the Financial Statements

25. Other Liabilities

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Non-current			
Consumers' Benefit Account	21.94	21.94	21.94
Deferred Revenue - Service Line Contributions from Consumers	110.66	107.24	104.53
Deferred Rent Liability	46.69	47.67	9.74
Guarantee Commission Obligation	8.05	Nil	Nil
Total	**187.34**	**176.85**	**136.21**

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Current			
Statutory Liabilities	127.32	121.18	171.12
Advance from Customers/Public Utilities	158.35	121.09	243.86
Statutory Consumer Reserves	658.23	644.23	623.23
Special Appropriation towards Project Cost	533.61	533.61	533.61
Other Liabilities	2.02	0.51	0.99
Total	**1,479.53**	**1,420.62**	**1,572.81**

26. Current Borrowings

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Unsecured - At Amortised Cost			
From Banks			
(a) Buyer's Line of Credit	409.00	370.06	286.78
(b) Bank Overdraft	0.32	148.93	Nil
(c) Short-term Loans	Nil	Nil	185.00
From Others			
Commercial Paper [maximum amount outstanding during the year is ₹ 3,000 crore *(31st March, 2016 - ₹ 1,950 crore)*]	1,982.66	988.10	1,176.27
	2,391.98	1,507.09	1,648.05
Secured - At Amortised Cost			
From Banks			
(a) Short-term Loans	Nil	Nil	93.00
Total	**2,391.98**	**1,507.09**	**1,741.05**

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).

27. Current tax liabilities

	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Income-tax payable	18.26	29.74	Nil
Total	**18.26**	**29.74**	**Nil**

Notes to the Financial Statements

28. Revenue from Operations

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(a) Revenue from Power Supply and Transmission Charges	5,575.54	*6,631.53*
Add/(Less): Income to be adjusted in future tariff determination (Net).	(58.00)	*(25.17)*
Add/(Less): Income to be adjusted in future tariff determination (Net) in respect of earlier years	(100.69)	*155.41*
	5,416.85	*6,761.77*
(b) Revenue from Contracts - Electronic Products (including Excise Duty)	541.63	*549.88*
(c) Project/Operation Management Services		
Assets Under Lease	891.83	*987.47*
Others	148.55	*166.61*
	1,040.38	*1,154.08*
(d) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	15.53	*14.07*
Income in respect of Services Rendered	64.72	*66.49*
Income from Finance Lease	89.68	*95.97*
Amortisations of Service Line Contributions	11.04	*10.26*
Sale of Fly Ash	1.79	*1.94*
Sale of Carbon Credits	9.47	*11.14*
Miscellaneous Revenue	26.97	*31.34*
	219.20	*231.21*
Total	**7,218.06**	***8,696.94***

29. Other Income

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(a) Interest Income		
(i) On Financial Assets carried at Amortised Cost		
Interest on Bank Deposits	0.34	*3.15*
Interest from Inter-corporate Deposits	1.15	*3.61*
Interest on Overdue Trade Receivables	15.35	*116.60*
Interest on Non-current Investment - Contingency Reserve Fund	7.35	*6.62*
Interest on Non-current Investment - Deferred Tax Liability Fund	21.21	*21.16*
Interest on Financial Instruments - Subsidiaries	223.19	*399.45*
Interest on Financial Instruments - Joint Ventures	0.44	*0.84*
Other Interest	0.39	*0.45*
	269.42	*551.88*
(ii) Others		
Interest on Income-tax Refund	Nil	*0.40*
Total	**269.42**	***552.28***

Notes to the Financial Statements

29. Other Income *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	519.23	*204.30*
Joint Ventures	114.50	*93.07*
Associates	12.43	*12.24*
Others - Equity Investments Designated at FVTOCI	3.82	*18.45*
	649.98	*328.06*
(c) Gain/(Loss) on Investments		
Gain on Sale of Current Investment measured at FVTPL	41.36	*9.29*
Gain on Sale of Investment in Associates measured at Cost	Nil	*10.57*
	41.36	*19.86*
(d) Other Non-operating Income		
Guarantee Commission from Subsidiaries and Joint Ventures	24.88	*42.75*
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	(0.23)	*27.99*
Delayed Payment Charges	6.78	*7.80*
Other Income	0.01	*0.30*
Insurance Claim Accrued/(Reversed)	Nil	*(16.75)*
	31.44	*62.09*
(e) Others		
Net Gain/(Loss) on Foreign Exchange	(78.37)	*(57.02)*
Total	**913.83**	***905.27***

30. Employee Benefits Expense

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Salaries and Wages	599.39	*604.89*
Contribution to Provident Fund [Refer Note 39(1)]	24.02	*21.53*
Contribution to Superannuation Fund [Refer Note 39(1)]	10.23	*10.13*
Retiring Gratuities [Refer Note 39(2.3)]	26.37	*14.82*
Leave Encashment Scheme	27.63	*16.36*
Pension Scheme	6.13	*6.60*
Staff Welfare Expenses	115.42	*102.74*
	809.19	*777.07*
Less:		
Employee Cost Capitalised	111.68	*109.50*
Employee Cost Recovered	Nil	*0.02*
Employee Cost Inventorised	36.71	*19.08*
	148.39	*128.60*
Total	**660.80**	***648.47***

Notes to the Financial Statements

31. Finance Costs

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
(a) Interest Expense:		
Borrowings		
Interest on Debentures	684.63	*483.92*
Interest on - Euro Notes	33.78	*34.06*
Interest on Loans - Banks & Financial Institutions	553.75	*521.20*
Others		
Interest on Consumer Security Deposits	18.70	*13.07*
Other Interest and Commitment Charges	15.44	*109.07*
	1,306.30	*1,161.32*
Less: Interest Capitalised	33.42	*28.38*
	1,272.88	*1,132.94*
(b) Other Borrowing Cost:		
Other Finance Costs	22.80	*13.18*
Total	**1,295.68**	***1,146.12***

Note:

The weighted average capitalisation rate on the Company's general borrowings is 9.50% per annum (*31st March, 2016 - 10.00% per annum*).

32. Other Expenses

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Consumption of Stores, Oil, etc. (excluding ₹ 68.73 crore on repairs and maintenance - *Previous Year - ₹ 79.26 crore*)	98.20	*34.24*
Rental of Land, Buildings, Plant and Equipment, etc.	30.87	*31.07*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	71.50	*81.78*
(ii) To Machinery and Hydraulic Works	212.54	*209.42*
(iii) To Furniture, Vehicles, etc.	11.10	*14.08*
	295.14	*305.28*
Rates and Taxes	46.52	*72.46*
Insurance	32.69	*39.74*
Other Operation Expenses	125.53	*124.39*
Ash Disposal Expenses	16.58	*17.84*
Warranty Charges	2.48	*3.81*
Travelling and Conveyance Expenses	36.88	*29.19*
Consultants' Fees	36.54	*34.22*
Auditors' Remuneration	6.96	*7.46*
Cost of Services Procured	136.48	*149.25*
Carried over ...	864.87	*848.95*

Notes to the Financial Statements

32. Other Expenses *(Contd.)*

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Brought forward ...	864.87	*848.95*
Bad Debts	Nil	*0.46*
Allowance for Doubtful Debts and Advances (Net)	19.34	*65.50*
Impairment of Non-current assets held for sale	34.00	*Nil*
Impairment of Non-current Investments in Joint Ventures	18.08	*28.37*
Amortisation of Payment Towards Leasehold Land	12.03	*14.52*
Donations	Nil	*3.96*
Legal Charges	16.01	*13.17*
Corporate Social Responsibility Expenses	22.79	*29.23*
Excise Duty Paid	15.81	*6.43*
Transfer to Contingency Reserve	14.00	*21.00*
Miscellaneous Expenses	50.06	*59.77*
Total	**1,066.99**	***1,091.36***

(i) Payment to the auditors (inclusive of service tax):

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
For Statutory Audit	3.95	*3.95*
For Taxation Matters	0.39	*0.39*
For Company Law Matters	Nil	*
For Other Services	1.65	*2.14*
For Reimbursement of Expenses	0.07	*0.03*
For Service Tax	0.90	*0.95*
Total	**6.96**	***7.46***

(ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2017 ₹ crore	*For the year ended 31st March, 2016 ₹ crore*
Contribution to Tata Power Community Development Trust	21.16	*27.00*
Expenses incurred by the Company	1.63	*2.01*
Total	**22.79**	***29.01***
Amount required to be spent as per section 135 of the Act	21.84	*23.22*
Amount spent during the year on:		
(a) Construction/Acquisition of asset	Nil	*Nil*
(b) On purposes other than (a) above	22.79	*29.01*

* Denotes figures below ₹ 50,000/-.

Notes to the Financial Statements

33. Income taxes

1. Income taxes recognised in statement of profit and loss

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Current tax		
In respect of the current year	290.92	*349.00*
In respect of the previous years	Nil	*(69.80)*
	290.92	***279.20***
Deferred tax		
In respect of the current year	(68.24)	*76.38*
Adjustments to deferred tax attributable to changes in tax rates	Nil	*23.72*
	(68.24)	***100.10***
Total income tax expense recognised in the current year	**222.68**	***379.30***

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

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Profit Before Tax considered for tax working	506.13	*1,734.29*
Income tax expense calculated at 34.61%	175.16	*600.20*
Effect of Income that is exempt from taxation	(231.53)	*(262.21)*
Effect of expenses that are not deductible in determining taxable profit	371.85	*78.86*
Effect of Tax Incentives	(77.97)	*(54.75)*
Effect of Lower Tax rate on Dividend Income from Foreign Subsidiaries	(45.77)	*(16.52)*
Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability	153.68	*37.33*
Effect of Reversal of Deferred Tax on Tax Holiday assets due to change in Estimates (Refer Note 24)	(180.65)	*Nil*
Effect of Tax on Distribution on Perpetual Securities	59.26	*59.19*
Effect of Tax on Other Items	(1.35)	*(16.72)*
Effect on deferred tax balances due to the changes in income tax rate from 33.99% to 34.61%	Nil	*23.72*
	222.68	***449.10***
Adjustments recognised in the current year in relation to the current tax of prior years	Nil	*(69.80)*
Income tax expense recognised in statement of profit or loss	**222.68**	***379.30***

Notes:

1. The tax rate used for the years 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 34.61% 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 2016-17 and 2015-16.
3. The Minimum Alternate Tax (MAT) rate applicable is 21.3416% of the book profit for the year 2016-17 and 2015-16.

Notes to the Financial Statements

33. Income taxes *(Contd.)*

2. **Income tax recognised directly in equity**

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Current tax		
Effect of Distribution on Unsecured Perpetual Securities	(59.26)	*(59.19)*
	(59.26)	*(59.19)*
Deferred tax		
Effect of Distribution on Unsecured Perpetual Securities	0.46	*Nil*
Income tax recognised directly in equity	**(58.80)**	***(59.19)***

3. **Income tax recognised in other comprehensive income**

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*
Deferred tax		
Arising on Income and expenses recognised in other comprehensive income		
Net fair value gain on investments in equity shares at FVTOCI	(0.12)	*6.44*
Remeasurements of defined benefit obligation	(3.95)	*(2.56)*
Total income tax recognised in other comprehensive income	**(4.07)**	***3.88***
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	Nil	*Nil*
Items that will not be reclassified to profit or loss	(4.07)	*3.88*
	(4.07)	***3.88***

34. (a) Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary of the Company has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP"). As at 31st March, 2017, the Company has a long-term investment of ₹ 11,136.15 crore *(31st March, 2016 - ₹ 6,443.85 crore, 1st April, 2015 - ₹ 6,047.90 crore)* in equity (including perpetual security) of CGPL, has given loans of ₹ Nil *(31st March, 2016 - ₹ 3,795.89 crore, 1st April, 2015 - ₹ 3,034.56 crore)* to CGPL, and has given guarantees of ₹ 2,781.69 crore *(31st March, 2016 - ₹ 3,039.24 crore, 1st April, 2015 - ₹ 3,403.27 crore)* to CGPL's lenders.

The Management of CGPL, on an ongoing basis, reviews and assesses the recoverability of the carrying value of its fixed assets based on certain externally available information and assumptions relating to future fuel prices, revenues and operating parameters and useful life of the plant, which the management believes reasonably reflect the future expectation. In view of the estimation uncertainties, the future cash flows, the assumptions are monitored periodically and adjustments are made if the conditions relating to the assumptions indicate that such adjustment is appropriate.

Based on the assessment of recoverability of the carrying value of fixed assets as at 31st March, 2017 and having regard to the overall returns expected from CGPL, no impairment as at 31st March, 2017 is considered necessary for long-term investments of ₹ 11,136.15 crore in CGPL and no provision is required in respect of guarantees of ₹ 2,781.69 crore given to CGPL's lenders.

(b) The Company has investments in equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through other comprehensive income. Based on a valuation report obtained from TTSL, the Company had reassessed the fair value of its investment in TTSL as at 30th September, 2016 and recorded fair value loss of ₹ 124.46 crore as at that date. In the absence of updated information, it has not been possible to revise the valuation as at 31st March, 2017 and consequently adjustments, if any, to the carrying value of investments in TTSL of ₹ 384.88 crore as at 31st March, 2017 have not been made.

(c) During the year, DoCoMo had filed a petition before the Delhi High Court for implementation of the Arbitration Award related to its exercise of the 'put option' to the transfer of its entire shareholding in TTSL at a minimum predetermined price of ₹ 58.045 per share pursuant to which the Delhi High Court directed Tata Sons (as representative of the Tata Group) to deposit the damages including costs and interest in an escrow account. Accordingly, the Company deposited ₹ 790 crore with Tata Sons, being its share of the contractual obligation. On 28th April, 2017, the Delhi High Court ruled that the Arbitration Award is enforceable in India. Consequently, the Company has as at 31st March, 2017 written-off 'other advances' of ₹ 651.45 crore, being the difference between the fair value of equity shares of TTSL determined as at 30th September, 2016 and the consideration payable to DoCoMo deposited with Tata Sons. This has been disclosed as an exceptional item. The balance of ₹ 138.55 crore, which represents the fair value of shares receivable from DoCoMo based on a valuation as at 30th September, 2016, is being carried forward as Other Advance and included in Other Non-current Financial Asset. As stated in note 34(b) above, valuation of TTSL shares as at 31st March, 2017 is not available.

Notes to the Financial Statements

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, 2017 ₹ crore	***31st March, 2016 ₹ crore***	***31st March, 2015 ₹ crore***
(a) Principal amount remaining unpaid as on 31st March....	19.20	*24.60*	*17.11*
(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, 2017 ₹ crore	***31st March, 2016 ₹ crore***	***1st April, 2015 ₹ crore***
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for..........	541.26	*523.92*	*662.48*
(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	*29.13*	*27.48*
(ii) The Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings	341.88	*442.61*	*520.78*
(iii) 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	77.47	*71.54*	*83.03*

Notes to the Financial Statements

36. Commitments *(Contd.)*

(iv) 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. Pending achievement of the "Project Financial Completion Date" as defined under the Financing Agreement, the Sponsor support will continue. In terms of the conditions of the financing agreements, the Company has provided total Additional Subordinated Loans and Equity of ₹ 6,022.59 crore (*31st March, 2016 - ₹ 5,047.00 crore, 1st April, 2015 - ₹ 4,235.82 crore)* to CGPL. 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 on the fulfilment of conditions in the Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

(v) In respect of NELCO Limited, the Company has undertaken to arrange for the necessary financial support to NELCO Limited in the form of interim short term funding for meeting its business requirements.

(vi) The Company has undertaken to arrange for the necessary financial support to its Subsidiaries Khopoli Investments Limited, Bhivpuri Investments Limited, Industrial Power Utility Limited, Tata Power Jamshedpur Distribution Limited and Tata Power International Pte. Limited.

(vii) 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.

(viii) 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.

(ix) 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 upon Demerger of the Surplus Land by Tata Communication Limited (TCL). The Company has till date acquired 1,34,22,037 shares of TCL from PFL. The Company would be entitled to be allotted 4.71% of the share capital of the Resulting Company based on its holding of 1,34,22,037 shares of TCL. The Company has given an undertaking to PFL to bear the "Surplus Land" obligation pertaining to these shares.

37. Contingent Liabilities

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Contingent liabilities			
a) Claims against the Company not acknowledged as debts consist of			
(i) Interest and penalty demand disputed by the Company relating to Entry tax claims for the financial years 2005-06 to 2012-13. [Refer Note (f) below]	1,967.43	*1,813.69*	*1,587.06*
(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	*Nil*	*Nil*
Carried over ...	2,236.43	*1,813.69*	*1,587.06*

Notes to the Financial Statements

37. Contingent Liabilities *(Contd.)*

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Brought forward ...	2,236.43	*1,813.69*	*1,587.06*
(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 ₹ 135.52 crore *(31st March, 2016 - ₹ 135.52 crore, 1st April, 2015 - ₹ 135.52 crore)*]	170.01	*170.01*	*170.01*
(iv)(a) Way Leave fees (including interest) claims disputed by the Company relating to rates charged	84.18	*72.58*	*62.60*
(b) Demand raised by collector towards periodic revision in lease rent disputed by the Company ..	150.00	*Nil*	*Nil*
(v) Rates, Cess, Excise and Custom Duty claims disputed by the Company	38.01	*36.85*	*41.14*
(vi) A Suit has been filed against the Company claiming compensation by way of damages for alleged wrongful disconnection of power supply.	Nil	*Nil*	*20.51*
Interest accrued thereon	Nil	*Nil*	*120.60*
(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 in respect of 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	45.46	*26.93*	*98.12*
	2,751.12	***2,147.09***	***2,127.07***

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.

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
b) Other Contingent Liabilities:			
Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed) including interest demanded ₹ 1.17 crore *(31st March, 2016 - ₹ 1.17 crore, 1st April, 2015 - ₹ 1.17 crore)*	259.69	*232.99*	*209.52*

Notes to the Financial Statements

37. Contingent Liabilities *(Contd.)*

c) Indirect exposures of the Company:

(i)

Guarantees given :	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Coastal Gujarat Power Limited	2,781.69	*3,039.24*	*3,403.27*
Khopoli Investments Limited	2,877.72 (equivalent to USD 443.75 million)	*3,217.97 (equivalent to USD 485.75 million)*	*2,521.21 (equivalent to USD 403.41 million)*
Bhira Investments Limited	2,911.12 (equivalent to USD 448.90 million)	*17.56 (equivalent to USD 2.65 million)*	*3,933.59 (equivalent to USD 629.40 million)*
Trust Energy Resources Pte. Limited	777.55 (equivalent to USD 119.90 million)	*763.47 (equivalent to USD 115.24 million)*	*268.43 (equivalent to USD 42.95 million)*
Tubed Coal Mines Limited	11.36	*11.36*	*11.36*
Mandakini Coal Company Limited	20.26	*20.26*	*115.79*
Energy Eastern Pte. Limited	382.62 (equivalent to USD 59 million)	*364.36 (equivalent to USD 55 million)*	*171.87 (equivalent to USD 27.50 million)*
Tata Power Renewable Energy Limited	2,225.00	*614.57*	*391.76*
Maithon Power Limited	Nil	*126.58*	*144.00*
Tata Power International Pte. Limited	278.86 (equivalent to USD 43 million)	*517.33 (equivalent to USD 78.09 million)*	*488.04 (equivalent to USD 78.09 million)*
Cennergi Pty. Limited	Nil	*46.72 (equivalent to ZAR 104.72 million)*	*257.07 (equivalent to ZAR 496.48 million)*
Tata Power Solar Systems Limited	300.00	*150.00*	*Nil*
Tata Power Trading Company Limited	Nil	*70.00*	*Nil*
Welspun Renewables Energy Pvt. Ltd.	1,320.00	*Nil*	*Nil*

(ii)

Shares pledged :	Nos.	*Nos.*	*Nos.*
Tata Teleservices Limited	18,27,08,138	*18,27,08,138*	*18,27,08,138*
Powerlinks Transmission Limited	23,86,80,000	*23,86,80,000*	*23,86,80,000*
Coastal Gujarat Power Limited	310,25,44,200	*307,55,14,200*	*305,00,90,700*
Industrial Energy Limited	12,56,74,200	*12,56,74,200*	*12,56,74,200*
Mandakini Coal Company Limited	2,00,43,000	*2,00,43,000*	*2,00,43,000*
Tata Power Renewable Energy Limited	25,81,14,935	*25,81,14,935*	*24,86,79,935*
Itezhi Tezhi Power Corporation	4,52,500	*4,52,500*	*Nil*

The Company has pledged the above shares of subsidiaries, joint ventures and TTSL, with the lenders for borrowings availed by the respective subsidiaries, joint ventures and TTSL.

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, 2017 the accumulated interest was ₹ 229.56 crore *(31st March, 2016 - ₹ 218.36 crore, 1st April, 2015 - ₹ 207.16 crore)* (₹ 11.20 crore for the year ended 31st March, 2017). 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 and hence, adjustments, if any, will be recorded by the Company on the final outcome of the matter.

(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)(ix), 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 ₹ 2,213.64 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) for financial years 2005-06 to 2012-13. The Company paid ₹ 246.21 crore under protest. 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, ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 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 in respect of these matters.

Notes to the Financial Statements

39. Employee benefit plan

1. Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, 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.

The Company has recognised ₹ 24.02 crore *(31st March, 2016 - ₹ 21.53 crore)* for provident fund contributions and ₹ 10.23 crore *(31st March, 2016 - ₹ 10.13 crore)* for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2. Defined benefit plans

2.1 The Company operates the following unfunded/funded defined benefit plans:

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 lump sum 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 lump sum amount along with 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.

Funded:

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.

Notes to the Financial Statements

39. Employee benefit plan *(Contd.)*

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	31st March, 2017	*31st March, 2016*	*1st April, 2015*
Discount Rate/Expected Rate of Return on Plan Assets	6.90% p.a.	*7.70% p.a.*	*7.90% p.a.*
Salary Growth Rate			
— Management	8% p.a.	*8% p.a.*	*8% p.a.*
— Non-Management	7% p.a.	*7% p.a.*	*7% p.a.*
Turnover Rate - Age 21 to 44 years			
— Management	8% 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	2.50% 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.*

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, 2015	***212.95***	***(186.78)***	***26.17***
Current service cost	*13.46*	*Nil*	*13.46*
Past service cost	*Nil*	*Nil*	*Nil*
Interest Cost/(Income)	*16.11*	*(14.75)*	*1.36*
Amount recognised in statement of profit and loss	***29.57***	***(14.75)***	***14.82***
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	*Nil*	*6.53*	*6.53*
Actuarial (gains)/losses arising from changes in financial assumptions	*2.77*	*Nil*	*2.77*
Actuarial (gains)/losses arising from experience	*(3.61)*	*Nil*	*(3.61)*
Amount recognised in other comprehensive income	***(0.84)***	***6.53***	***5.69***
Employer contribution	*Nil*	*Nil*	*Nil*
Benefits paid	*(18.02)*	*Nil*	*(18.02)*
Acquisitions credit/(cost)	*Nil*	*Nil*	*Nil*
Balance as at 31st March, 2016	***223.66***	***(195.00)***	***28.66***

Notes to the Financial Statements

39. Employee benefit plan *(Contd.)*

Funded Plan:	**Present value of obligation ₹ crore**	**Fair value of plan assets ₹ crore**	**Net amount ₹ crore**
Balance as at 31st March, 2016	**223.66**	**(195.00)**	**28.66**
Current service cost	13.97	Nil	13.97
Past service cost	12.42	Nil	12.42
Interest Cost/(Income)	15.91	(15.93)	(0.02)
Amount recognised in statement of profit and loss	**42.30**	**(15.93)**	**26.37**
Remeasurement (gains)/losses			
Return on plan assets excluding amounts included in interest cost/(income)	Nil	(12.70)	(12.70)
Actuarial (gains)/losses arising from changes in financial assumptions	13.40	Nil	13.40
Actuarial (gains)/losses arising from experience	5.91	Nil	5.91
Amount recognised in other comprehensive income	**19.31**	**(12.70)**	**6.61**
Employer contribution	Nil	(23.74)	(23.74)
Benefits paid	(25.51)	Nil	(25.51)
Acquisitions credit/(cost)	(3.72)	Nil	(3.72)
Balance as at 31st March, 2017	**256.04**	**(247.37)**	**8.67**

Composition of the plan assets is as follows:

Insurer Managed Funds*

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Unfunded Plan:	**Amount ₹ crore**
Balance as at 1st April, 2015	***57.89***
Current service cost	*2.39*
Past service cost	*Nil*
Interest Cost/(Income)	*3.16*
Amount recognised in statement of profit and loss	***5.55***
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in financial assumptions	*1.05*
Actuarial (gains)/losses arising from experience	*1.02*
Amount recognised in other comprehensive income	***2.07***
Benefits paid	*(4.63)*
Acquisitions credit/(cost)	*Nil*
Balance as at 31st March, 2016	***60.88***

Notes to the Financial Statements

39. Employee benefit plan *(Contd.)*

Unfunded Plan:	**Amount ₹ crore**
Balance as at 31st March, 2016	**60.88**
Current service cost	2.49
Past service cost	0.42
Interest Cost/(Income)	4.49
Amount recognised in statement of profit and loss	**7.40**
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in financial assumptions	4.68
Actuarial (gains)/losses arising from experience	0.11
Amount recognised in other comprehensive income	**4.79**
Benefits paid	(5.46)
Acquisitions credit/(cost)	Nil
Balance as at 31st March, 2017	**67.61**

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, 2017	***31st March, 2016***		**31st March, 2017 ₹ crore**	***31st March, 2016 ₹ crore***		**31st March, 2017 ₹ crore**	***31st March, 2016 ₹ crore***
Discount rate	0.50%	*0.50%*	Decrease by	11.52	*9.33*	Increase by	12.39	*10.05*
Salary/Pension growth rate	0.50%	*0.50%*	Increase by	11.49	*7.60*	Decrease by	10.79	*7.24*
Claim rates	5%	*5%*	Decrease by	18.12	*6.18*	Increase by	16.30	*5.21*
Mortality rates	20%	*20%*	Decrease by	3.64	*1.05*	Increase by	4.68	*1.22*
Healthcare cost	0.50%	*0.50%*	Increase by	1.97	*3.32*	Decrease by	1.77	*2.70*

The above sensitivity analyses are 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 co-related. 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.

Notes to the Financial Statements

39. Employee benefit plan *(Contd.)*

2.5 The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Funded		Unfunded	
	31st March, 2017 ₹ crore	***31st March, 2016 ₹ crore***	**31st March, 2017 ₹ crore**	***31st March, 2016 ₹ crore***
Within 1 year	16.73	*16.36*	6.29	*6.23*
Between 1 - 2 years	26.98	*25.41*	6.82	*6.53*
Between 2 - 3 years	32.75	*25.68*	6.72	*6.51*
Between 3 - 4 years	33.47	*30.52*	6.80	*6.46*
Between 4 - 5 years	36.55	*30.25*	6.72	*6.52*
Beyond 5 years	174.60	*166.88*	34.64	*20.20*

The weighted average duration of the defined benefit obligation is 7 years (*31st March, 2016 - 7 years*).

The contribution expected to be made by the Company during the financial year 2017-18 has not been ascertained.

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 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.

40. In respect of the contracts pertaining to the Strategic Engineering Business and Project Management Services, disclosures required as per Ind AS 11 are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 506.13 crore *(31st March, 2016 - ₹ 549.88 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2017 ₹ 1,042.45 crore *(31st March, 2016 - ₹ 935.78 crore)*.

(ii) Advances and progress payments received as at 31st March, 2017 ₹ 615.09 crore *(31st March, 2016 - ₹ 695.37 crore, 1st April, 2015 - ₹ 813.25 crore)*.

(iii) Retention money included as at 31st March, 2017 in Sundry Debtors ₹ 13.13 crore *(31st March, 2016 - ₹ 8.47 crore, 1st April, 2015 - ₹ 6.32 crore)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2017 ₹ 44.20 crore *(31st March, 2016 - ₹ 66.00 crore, 1st April, 2015 - ₹ 191.44 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2017 ₹ 370.03 crore *(31st March, 2016 - ₹ 240.40 crore, 1st April, 2015 - ₹ 191.89 crore)*.

Notes to the Financial Statements

41. Financial Instruments

1. Financial Assets and Financial Liabilities

1.1 The carrying value and fair value of financial instruments by categories as at 31st March, 2017 is as follows:

₹ crore

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	Nil	Nil	Nil	141.60	141.60	141.60
Other balances with banks	Nil	Nil	Nil	14.47	14.47	14.47
Trade receivables	Nil	Nil	Nil	1,420.02	1,420.02	1,420.02
Investments #						
Equity and Others	Nil	797.88	Nil	Nil	797.88	797.88
Government securities	Nil	Nil	Nil	386.18	386.18	397.84
Unbilled revenues	Nil	Nil	Nil	560.98	560.98	560.98
Loans	Nil	Nil	Nil	22.82	22.82	22.82
Finance lease receivables	Nil	Nil	Nil	612.63	612.63	612.63
Other financial assets	Nil	Nil	Nil	1,196.81	1,196.81	1,196.81
Total	**Nil**	**797.88**	**Nil**	**4,355.51**	**5,153.39**	**5,165.05**
Liabilities:						
Trade payables	Nil	Nil	Nil	1,380.25	1,380.25	1,380.25
Borrowings (includes current maturities)	Nil	Nil	Nil	16,503.65	16,503.65	16,733.67
Other financial liabilities	Nil	Nil	49.91	1,350.58	1,400.49	1,400.49
Total	**Nil**	**Nil**	**49.91**	**19,234.48**	**19,284.39**	**19,514.41**

The carrying value and fair value of financial instruments by categories as at 31st March, 2016 is as follows:

₹ *crore*

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	*Nil*	*Nil*	*Nil*	*33.83*	*33.83*	*33.83*
Other balances with banks	*Nil*	*Nil*	*Nil*	*12.06*	*12.06*	*12.06*
Trade receivables	*Nil*	*Nil*	*Nil*	*1,242.99*	*1,242.99*	*1,242.99*
Investments #						
Equity and Others	*258.27*	*1,107.50*	*Nil*	*Nil*	*1,365.77*	*1,365.77*
Government securities	*Nil*	*Nil*	*Nil*	*376.14*	*376.14*	*378.68*
Unbilled revenues	*Nil*	*Nil*	*Nil*	*299.96*	*299.96*	*299.96*
Loans	*Nil*	*Nil*	*Nil*	*3,750.45*	*3,750.45*	*3,750.45*
Finance lease receivables	*Nil*	*Nil*	*Nil*	*666.43*	*666.43*	*666.43*
Other financial assets	*Nil*	*Nil*	*12.17*	*1,206.15*	*1,218.32*	*1,218.32*
Total	***258.27***	***1,107.50***	***12.17***	***7,588.01***	***8,965.95***	***8,968.49***
Liabilities:						
Trade payables	*Nil*	*Nil*	*Nil*	*1,296.38*	*1,296.38*	*1,296.38*
Borrowings (includes current maturities)	*Nil*	*Nil*	*Nil*	*11,229.18*	*11,229.18*	*11,285.23*
Other financial liabilities	*Nil*	*Nil*	*9.54*	*1,152.37*	*1,161.91*	*1,161.91*
Total	***Nil***	***Nil***	***9.54***	***13,677.93***	***13,687.47***	***13,743.52***

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

The carrying value and fair value of financial instruments by categories as at 1st April, 2015 is as follows:

₹ *crore*

	Fair value through P&L	Fair value through OCI	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value	Total fair value
Assets:						
Cash and cash equivalents	*Nil*	*Nil*	*Nil*	*265.85*	*265.85*	*265.85*
Other balances with banks	*Nil*	*Nil*	*Nil*	*13.42*	*13.42*	*13.42*
Trade receivables	*Nil*	*Nil*	*Nil*	*1,745.14*	*1,745.14*	*1,745.14*
Investments #						
Equity and Others	*285.67*	*1,353.85*	*Nil*	*Nil*	*1,639.52*	*1,639.52*
Government securities	*Nil*	*Nil*	*Nil*	*357.14*	*357.14*	*357.14*
Unbilled revenues	*Nil*	*Nil*	*Nil*	*226.75*	*226.75*	*226.75*
Loans	*Nil*	*Nil*	*Nil*	*2,907.14*	*2,907.14*	*2,907.14*
Finance lease receivables	*Nil*	*Nil*	*Nil*	*703.60*	*703.60*	*703.60*
Other financial assets	*Nil*	*Nil*	*15.90*	*1,594.40*	*1,610.30*	*1,610.30*
Total	***285.67***	***1,353.85***	***15.90***	***7,813.44***	***9,468.86***	***9,468.86***
Liabilities:						
Trade payables	*Nil*	*Nil*	*Nil*	*1,334.58*	*1,334.58*	*1,334.58*
Borrowings (includes current maturities)	*Nil*	*Nil*	*Nil*	*11,032.71*	*11,032.71*	*11,097.50*
Other financial liabilities	*Nil*	*Nil*	*0.47*	*1,745.66*	*1,746.13*	*1,746.13*
Total	***Nil***	***Nil***	***0.47***	***14,112.95***	***14,113.42***	***14,178.21***

Other than investment in subsidiaries, associates and joint ventures accounted at cost in accordance with Ind AS 27.

Note: Certain unquoted equity instruments 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, than reflecting changes in fair value immediately in profit or loss.

1.2 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, traded debentures (borrowings) 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 investment in redeemable non-cumulative preference shares.

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

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

The following table summarises 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) :

₹ crore

	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Government securities	397.84	Nil	Nil	397.84
Equity Shares #				
Quoted	11.88	Nil	Nil	11.88
Unquoted	Nil	Nil	786.00	786.00
Total	**409.72**	**Nil**	**786.00**	**1,195.72**
Financial Liabilities:				
Debentures	8,780.30	Nil	Nil	8,780.30
Derivative financial liabilities	Nil	49.91	Nil	49.91
Total	**8,780.30**	**49.91**	**Nil**	**8,830.21**
	Fair value hierarchy as at 31st March, 2016			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Government securities	*378.68*	*Nil*	*Nil*	*378.68*
Other Debt Instruments	*Nil*	*258.27*	*Nil*	*258.27*
Equity Shares #				
Quoted	*99.00*	*Nil*	*Nil*	*99.00*
Unquoted	*Nil*	*Nil*	*1,008.50*	*1,008.50*
Derivative financial assets	*Nil*	*12.17*	*Nil*	*12.17*
Total	***477.68***	***270.44***	***1,008.50***	***1,756.62***
Financial Liabilities:				
Debentures	*5,143.94*	*Nil*	*Nil*	*5,143.94*
Derivative financial liabilities	*Nil*	*9.54*	*Nil*	*9.54*
Total	***5,143.94***	***9.54***	***Nil***	***5,153.48***
	Fair value hierarchy as at 1st April, 2015			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Government securities	*357.14*	*Nil*	*Nil*	*357.14*
Other Debt Instruments	*42.02*	*243.65*	*Nil*	*285.67*
Equity Shares #				
Quoted	*116.18*	*Nil*	*Nil*	*116.18*
Unquoted	*Nil*	*Nil*	*1,237.67*	*1,237.67*
Derivative financial assets	*Nil*	*15.90*	*Nil*	*15.90*
Total	***515.34***	***259.55***	***1,237.67***	***2,012.56***
Financial Liabilities:				
Debentures	*4,910.16*	*Nil*	*Nil*	*4,910.16*
Derivative financial liabilities	*Nil*	*0.47*	*Nil*	*0.47*
Total	***4,910.16***	***0.47***	***Nil***	***4,910.63***

Other than investment in subsidiaries, associates and joint ventures accounted at cost in accordance with Ind AS 27.

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

Level 1 The fair value of mutual funds, government securities, quoted equity shares and debentures is based on quoted price.

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

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

Level 3 The fair value of unquoted equity shares is determined using income approach (discounted cash flow), market observable price method, option pricing model, etc.

In case of investment in TTSL shares, in the absence of updated information as stated in Note 34(b), the fair value has been determined based on third party valuation report obtained from TTSL as at 30th September, 2016.

The cost of certain unquoted investments approximate their fair value because there is a range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

1.3 Reconciliation of level 3 fair value measurements

For the year ended 31st March, 2017

	₹ crore
	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	1,008.50
Total Loss in other comprehensive income	(124.46)
Held for Sale/Disposals/Settlements	(98.04)
Closing balance	**786.00**

For the year ended 31st March, 2016

	₹ crore
	Unlisted shares irrevocably designated as at FVTOCI
Opening balance	*1,237.67*
Total Loss in other comprehensive income	*(229.17)*
Held for Sale/Disposals/Settlements	*Nil*
Closing balance	***1,008.50***

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".

2. Capital Management & Gearing Ratio

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:

	31st March, 2017 ₹ crore	***31st March, 2016 ₹ crore***	***1st April, 2015 ₹ crore***
Debt (i)	16,503.65	*11,229.18*	*11,032.71*
Cash and Bank balances (including cash and bank balances in a disposal group held for sale)	156.07	*45.89*	*279.27*
Net debt	**16,347.58**	***11,183.29***	***10,753.44***
Total Equity (ii)	**16,548.56**	***16,850.46***	***16,228.64***
Net debt to equity ratio (%)	98.79	*66.37*	*66.26*

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

3. Financial risk management

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The following is the summary of the main risks:

3.1 Market risk

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

3.1.1 Foreign currency risk management

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.

The following table analyses foreign currency assets and liabilities on balance sheet dates:

	31st March, 2017		*31st March, 2016*		*1st April, 2015*	
Foreign Currency Liabilities	**Foreign Currency (in millions)**	**₹ crore**	***Foreign Currency in millions)***	***₹ crore***	***Foreign Currency (in millions)***	***₹ crore***
In USD	261.14	1,693.48	*196.34*	*1,300.65*	*174.20*	*1,088.69*
In EURO	7.05	48.84	*13.24*	*99.81*	*12.14*	*81.57*
In GBP	3.29	29.18	*8.13*	*77.61*	*9.24*	*85.45*
In JPY	15.38	0.89	*8.21*	*0.48*	*107.06*	*5.58*
In SGD	0.01	0.05	*0.01*	*0.05*	*Nil*	*Nil*

	31st March, 2017		*31st March, 2016*		*1st April, 2015*	
Foreign Currency Assets	**Foreign Currency (in millions)**	**₹ crore**	***Foreign Currency (in millions)***	***₹ crore***	***Foreign Currency (in millions)***	***₹ crore***
In USD	*8.88*	*57.61*	*8.36*	*55.39*	*14.93*	*93.31*
In ZAR	*0.21*	*0.10*	*0.72*	*0.32*	*Nil*	*Nil*
In SGD	*0.03*	*0.15*	*Nil*	*Nil*	*Nil*	*Nil*
In VND	*77.48*	*0.01*	*11.24*	*	*Nil*	*Nil*
In TAKA	*0.21*	*0.02*	*0.21*	*0.02*	*0.22*	*0.02*

* Denotes figures below ₹ 50,000/-

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

(a) Foreign currency sensitivity analysis

For the year ended 31st March, 2017 and 31st March, 2016, the impact of every rupee 1 depreciation / appreciation in the exchange rate between the Indian Rupee and US Dollar on Profit before tax of the Company, given in below table:

	As at 31st March, 2017		*As at 31st March, 2016*	
	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD	*Rupee depreciate by INR 1 against USD*	*Rupee appreciate by INR 1 against USD*
On Forward and Option Contracts	(+) ₹ 24.88 crore	(-) ₹ 24.88 crore	*(+) ₹ 12.05 crore*	*(-) ₹ 11.86 crore*
On Foreign Currency Liability (net) (Refer Note 2 below)	(-) ₹ 25.23 crore	(+) ₹ 25.23 crore	*(-) ₹ 18.80 crore*	*(+) ₹ 18.80 crore*

Notes:

1) +/- Gain/Loss
2) The impact of depreciation/appreciation on foreign currency other than US Dollar on profit before tax of the Company is not material.

(b) 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 instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts		**31st March, 2017**		
Other Derivatives	Buy/Sell	**Foreign Currency (in millions)**	**Nominal Value in ₹ crore**	**Fair value in ₹ crore**
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)*
Option contracts				
In USD		Nil	Nil	Nil

Outstanding Contracts		***31st March, 2016***		
Other Derivatives		***Foreign Currency (in millions)***	***Nominal Value in ₹ crore***	***Fair value in ₹ crore***
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 contracts				
In USD	Buy	*118.73*	*786.53*	*12.17*

Outstanding Contracts		***1st April, 2015***		
Other Derivatives		***Foreign Currency (in millions)***	***Nominal Value in ₹ crore***	***Fair value in ₹ crore***
Forward contracts				
In USD	Buy	*79.22*	*495.08*	*3.56*
In EURO	Buy	*11.02*	*74.07*	*(2.77)*
In GBP	Buy	*6.57*	*60.74*	*(1.26)*
Option contract				
In USD	Buy	*75.40*	*471.20*	*15.90*

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

3.1.2 Interest rate risk management

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Company in the reporting period or in future years.

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:

	As at 31st March, 2017		*As at 31st March, 2016*	
	50 bps increase	50 bps decrease	*50 bps increase*	*50 bps decrease*
Interest expense on loan	(+) ₹ 20.88 crore	(-) ₹ 20.88 crore	*(+) ₹ 14.32 crore*	*(-) ₹ 14.32 crore*
Effect on profit before tax	(-) ₹ 20.88 crore	(+) ₹ 20.88 crore	*(-) ₹ 14.32 crore*	*(+) ₹ 14.32 crore*

3.2 Credit risk management

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Trade receivables	1,420.02	*1,242.99*	*1,745.14*
Loan	22.82	*3,750.45*	*2,907.14*
Finance lease receivables	612.63	*666.43*	*703.60*
Other financial assets	1,196.81	*1,218.32*	*1,610.30*
Total	**3,252.28**	***6,878.19***	***6,966.18***

Refer Note No. 7.1 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.

3.3 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 maturity profile of the financial assets are listed below:

Expected contractual maturity for Financial Liabilities

₹ crore

	Up to 1 year	1 to 5 years	5 + years	Total	Carrying Amount
31st March, 2017					
Non-Derivatives					
Borrowings #	8,901.29	6,551.00	13,422.97	28,875.26	16,900.52
Trade Payables	1,344.68	35.57	Nil	1,380.25	1,380.25
Other Financial Liabilities	921.73	31.98	Nil	953.71	953.71
Total Non-Derivative Liabilities	**11,167.70**	**6,618.55**	**13,422.97**	**31,209.22**	**19,234.48**
Derivatives					
Other Financial Liabilities	49.91	Nil	Nil	49.91	49.91
Total Derivative Liabilities	**49.91**	**Nil**	**Nil**	**49.91**	**49.91**

Notes to the Financial Statements

41. Financial Instruments *(Contd.)*

	Up to 1 year	1 to 5 years	5 + years	Total	Carrying Amount
31st March, 2016					
Non-Derivatives					
Borrowings #	*3,167.02*	*7,428.32*	*12,841.70*	*23,437.04*	*11,455.89*
Trade Payables	*1,263.26*	*33.12*	*Nil*	*1,296.38*	*1,296.38*
Other Financial Liabilities	*892.07*	*33.59*	*Nil*	*925.66*	*925.66*
Total Non-Derivative Liabilities	***5,322.35***	***7,495.03***	***12,841.70***	***25,659.08***	***13,677.93***
Derivatives					
Other Financial Liabilities	*9.54*	*Nil*	*Nil*	*9.54*	*9.54*
Total Derivative Liabilities	***9.54***	***Nil***	***Nil***	***9.54***	***9.54***
1st April, 2015					
Non-Derivatives					
Borrowings #	*3,170.13*	*7,962.90*	*12,357.18*	*23,490.21*	*11,255.37*
Trade Payables	*1,304.66*	*29.92*	*Nil*	*1,334.58*	*1,334.58*
Other Financial Liabilities	*1,490.67*	*32.33*	*Nil*	*1,523.00*	*1,523.00*
Total Non-Derivative Liabilities	***5,965.46***	***8,025.15***	***12,357.18***	***26,347.79***	***14,112.95***
Derivatives					
Other Financial Liabilities	*0.47*	*Nil*	*Nil*	*0.47*	*0.47*
Total Derivative Liabilities	***0.47***	***Nil***	***Nil***	***0.47***	***0.47***

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 amounts included in Note 37(c)(i) 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 an 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.

The Company has access to financing facilities as described in Note No. 3.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

3.4 Financing facilities

	31st March, 2017 ₹ crore	*31st March, 2016 ₹ crore*	*1st April, 2015 ₹ crore*
Unsecured bank overdraft, reviewed annually and payable at call:			
Amount used	0.32	*148.93*	*Nil*
Amount unused	2,304.68	*2,466.07*	*2,425.00*
Secured bank overdraft facility :			
Amount used	Nil	*Nil*	*Nil*
Amount unused	250.00	*250.00*	*650.00*
Secured bank loan facilities with various maturity dates through to 31st March, 2018 and which may be extended by mutual agreement:			
Amount used	4,833.00	*4,437.00*	*4,516.76*
Amount unused	1,147.00	*360.00*	*221.24*

Notes to the Financial Statements

42. 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 Co. Ltd. (AICL)
2) Chemical Terminal Trombay Ltd. (CTTL)
3) Tata Power Trading Co. Ltd. (TPTCL)
4) NELCO Ltd. (NELCO)
5) Maithon Power Ltd. (MPL)
6) Tata Power Delhi Distribution Ltd. (TPDDL)
7) Coastal Gujarat Power Ltd. (CGPL)
8) Industrial Power Utility Ltd. (IPUL)
9) Tata Power Renewable Energy Ltd. (TPREL)
10) Tata Power Solar Systems Ltd. (TPSSL)
11) Tata Power Jamshedpur Distribution Ltd. (TPJDL)
12) Tata Power International Pte. Ltd. (TPIPL)
13) Tata Ceramics Ltd. (TCL) (w.e.f. 28th May, 2015)
14) Bhira Investments Ltd. (BIL)
15) Bhivpuri Investments Ltd. (BHIL)
16) Khopoli Investments Ltd. (KIL)
17) Trust Energy Resources Pte. Ltd. (TERL)
18) Indo Rama Renewables Jath Ltd ** (IRRJL)
19) Energy Eastern Pte. Ltd. ** (EEL)
20) Tatanet Services Ltd.** (TNSL)
21) PT Sumber Energi Andalan Tbk. ** (SEA)
22) Tata Power Green Energy Ltd. ** (TPGEL)
23) NDPL Infra Ltd. ** (NDPLIL)
24) Supa Windfarm Ltd. ** (SWL) (w.e.f. 10th December, 2015)
25) Poolavadi Windfarm Ltd. ** (PWL) (w.e.f. 9th January, 2016)
26) Nivade Windfarm Ltd. ** (NWL) (w.e.f. 17th December, 2015)
27) Welspun Renewables Energy Private Ltd. ** (WREPL)
28) Clean Sustainable Solar Energy Private Ltd. ** (CSSEPL)
29) Dreisatz Mysolar24 Private Ltd. ** (DMPL)
30) MI Mysolar24 Private Ltd. ** (MMPL)
31) Northwest Energy Private Ltd. ** (NEPL)
32) Solarsys Energy Private Ltd. ** (SEPL)
33) Solarsys Renewable Energy Private Ltd. ** (SREPL)
34) Unity Power Private Ltd. ** (UUPL)
35) Viraj Renewables Energy Private Ltd. ** (VREPL)
36) Welspun Energy Jharkhand Private Ltd. ** (WEJPL)
37) Welspun Energy Maharashtra Private Ltd. ** (WEMPL)
38) Welspun Energy Rajasthan Private Ltd. ** (WERPL)
39) Welspun Solar AP Private Ltd. ** (WSAPL)
40) Welspun Solar Kannada Private Ltd. ** (WSKPL)
41) Welspun Solar Madhya Pradesh Private Ltd. ** (WSMPPL)
42) Welspun Solar Punjab Private Ltd. ** (WSPPL)
43) Welspun Solar Rajasthan Private Ltd. ** (WSRPL)
44) Welspun Solar Tech Private Ltd. ** (WSTPL)
45) Welspun Solar UP Private Ltd. ** (WSUPL)
46) Welspun Urja Gujarat Private Ltd. ** (WUGPL)
47) Chirasthayee Saurya Ltd. ** (CSL)
48) Nelco Network Products Ltd. ** (NNPL)
49) Vagarai Windfarm Ltd. ** (VWL)
50) Welspun Urja India Ltd. ** (WUIL)

** Through Subsidiary Companies

Notes to the Financial Statements

42. Related Party Disclosures *(Contd.):*

(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 Ltd. (TPL) 2) Yashmun Engineers Ltd. (YEL) 3) Dagacchu Hydro Power Corporation Limited 4) Tata Communications Limited
(ii) Joint Venture Companies	1) Cennergi Pty. Ltd. ** (CPL) 2) Mandakini Coal Company Ltd. (MCCL) 3) Tubed Coal Mines Ltd. (TCML) 4) Itezhi Tezhi Power Corporation (ITPC) (w.e.f. 29th April, 2015) 5) Adjaristsqali Georgia LLC ** (AGL) 6) LTH Milcom Private Limited 7) Powerlinks Transmission Ltd. (PTL) 8) Industrial Energy Ltd. (IEL) 9) Dugar Hydro Power Ltd. (DHPL)

** Joint Ventures of Subsidiaries

(c) (i) Promoters holding together with its Subsidiary more than 20%	Tata Sons Ltd.
(ii) Subsidiaries and Jointly Controlled Entities of Promoters (where transactions have taken place during the year and previous year / balances outstanding) :	1) Drive India Enterprise Solutions Limited (ceased w.e.f. 01.09.2015) 2) e-Nxt Financials Limited (merged with Tata Business Support Services Limited, the Appointed date i.e. 01.04.2014, Effective date: 01.07.2015) 3) Ewart Investments Limited 4) Infiniti Retail Limited 5) Tata Africa Holdings (SA) (Proprietary) Limited 6) Tata AG, Zug 7) Tata AIG General Insurance Company Limited 8) Tata Business Support Services Limited 9) Tata Capital Limited 10) Tata Consultancy Services Limited 11) Tata Consulting Engineers Limited 12) Tata Housing Development Company Limited 13) Tata Industries Limited 14) Tata Interactive Systems AG 15) Tata Investment Corporation Limited 16) Tata Realty and Infrastructure Limited 17) Tata Teleservices (Maharashtra) Limited (w.e.f. 02.02.2017) 18) Tata Teleservices Limited (ceased to be an associate and is a subsidiary w.e.f. 02.02.2017) 19) TC Travel and Services Limited 20) THDC Management Services Limited (formerly THDC Facility Management Limited)
(d) Key Management Personnel	1) Anil Sardana - CEO & Managing Director 2) Ashok Sethi - COO & Executive Director 3) Ramesh Subramanyam - Chief Financial Officer

Notes to the Financial Statements

42. Related Party Disclosures *(Contd.):*

(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)...	73.73	-	-	-	-	0.03	-
	75.60	-	-	-	-	*0.44*	-
Sale of goods/power (Net of Discount on Prompt Payment)	150.47	31.84	-	-	-	36.43	-
	190.74	*40.59*	*0.09*	-	-	*51.24*	-
Purchase of fixed assets	0.97	2.67	-	-	-	7.70	6.77
	-	*8.44*	-	-	-	*7.39*	-
Rendering of services	110.75	2.78	24.86	-	-	1.28	0.39
	90.33	*0.14*	*52.43*	-	-	*1.24*	*0.52*
Receiving of services	1.34	13.43	-	-	-	45.22	0.40
	1.94	*17.69*	*0.05*	-	-	*36.13*	*0.37*
Brand equity contribution	-	-	-	-	-	-	18.30
	-	-	-	-	-	-	*21.63*
Contribution to Employee Benefit Plans ..	-	-	-	-	57.99	-	-
	-	-	-	-	*31.66*	-	-
Guarantee, collaterals etc. given	7,740.20$	-	-	-	-	-	-
	6,553.30$	-	-	-	-	-	-
Guarantee, collaterals etc. cancelled	2,579.13$	-	50.05$	-	-	-	-
	9,566.22$	-	*283.16$*	-	-	-	-
Remuneration paid	-	-	-	13.89*	-	-	-
	-	-	-	*11.30**	-	-	-
Interest income	223.19	-	0.44	-	-	-	-
	399.45	-	*0.84*	-	-	-	-
Interest paid	-	0.17	-	-	-	14.93	-
	-	*0.09*	-	-	-	*14.82*	-
Dividend received	519.23	12.43	114.50	-	-	-	-
	204.30	*12.24*	*93.07*	-	-	*0.05*	*16.02*
Dividend paid	-	-	-	-	-	1.85	109.17
	-	-	-	-	-	*4.18*	*106.84*
Guarantee commission earned	23.65	-	1.23	-	-	-	-
	41.44	-	*1.31*	-	-	-	-
Loans given	187.13	-	0.02	-	-	-	-
	1,177.26	-	*49.88*	-	-	-	-
Equity contribution (includes advance towards equity contribution and perpetual bonds) @	4,800.80	-	0.15	-	-	-	-
	193.34	-	*33.06*	-	-	-	-
Loans provided for as doubtful advances (including interest)	0.01	-	0.02	-	-	-	-
	1.24	-	*54.16*	-	-	-	-

Notes to the Financial Statements

42. Related Party Disclosures *(Contd.)*:

(e) Details of Transactions: *(Contd.)*

Particulars		Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Loans repaid (including loan converted into equity)		356.62	-	13.25	-	-	-	-
		317.85	*-*	*39.86*	*-*	*-*	*-*	*-*
Deposits taken		-	0.81	-	-	-	0.11	-
		-	*-*	*-*	*-*	*-*	*1.86*	*-*
Deposits refunded		-	-	-	-	-	0.74	-
		-	*0.04*	*-*	*-*	*-*	*0.07*	*-*
Purchase of Investments		32.93	-	-	-	-	-	-
		-	*-*	*-*	*-*	*-*	*312.29*	*-*
Liability written back		-	-	-	-	-	0.10	-
		-	*-*	*-*	*-*	*-*	*-*	*-*
Purchase of Business		13.35	-	-	-	-	-	-
		-	*-*	*-*	*-*	*-*	*-*	*-*
Balances outstanding								
Perpetual Securities Outsanding including Interest	2017	-	-	-	-	-	136.17	-
	2016	*-*	*-*	*-*	*-*	*-*	*136.21*	*-*
	2015	*-*	*-*	*-*	*-*	*-*	*136.17*	*-*
Other receivables	2017	71.64	4.44	9.58	-	-	3.83	-
	2016	*51.31*	*2.75*	*39.26*	*-*	*-*	*5.21*	*-*
	2015	*48.03*	*7.80*	*4.20*	*-*	*-*	*4.56*	*-*
Loans (including interest thereon)	2017	1.25	1.27	71.01	-	-	-	-
	2016	*4,027.95*	*1.27*	*83.23*	*-*	*-*	*-*	*-*
	2015	*3,204.39*	*1.27*	*44.35*	*-*	*-*	*-*	*-*
Loans provided for as doubtful advances (including interest thereon)	2017	1.25	1.27	54.18	-	-	-	-
	2016	*1.24*	*1.27*	*54.16*	*-*	*-*	*-*	*-*
	2015	*-*	*1.27*	*-*	*-*	*-*	*-*	*-*
Deposits taken outstanding	2017	-	1.53	-	-	-	1.33	-
	2016	*-*	*0.72*	*-*	*-*	*-*	*1.99*	*-*
	2015	*-*	*0.74*	*-*	*-*	*-*	*0.15*	*-*
Security deposits given	2017	-	-	-	-	-	-	-
	2016	*-*	*-*	*-*	*-*	*-*	*-*	*-*
	2015	*-*	*-*	*-*	*-*	*-*	*-*	*0.50*
Preference Shares Outstanding including interest	2017	285.60	-	-	-	-	-	-
	2016	*578.01*	*-*	*-*	*-*	*-*	*-*	*-*
	2015	*594.75*	*-*	*-*	*-*	*-*	*-*	*-*
Advance towards equity	2017	168.00	-	-	-	-	-	-
	2016	*-*	*-*	*-*	*-*	*-*	*-*	*-*
	2015	*-*	*-*	*-*	*-*	*-*	*-*	*-*

Notes to the Financial Statements

42. Related Party Disclosures *(Contd.):*

(e) Details of Transactions: *(Contd.)*

Particulars		Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Employee Benefit Fund	Promoter Group	Promoters
Dividend receivable	2017	92.23	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
	2015	*75.00*	-	-	-	-	-	-
Guarantees, collaterals etc. outstanding	2017	13,854.55	-	31.62	-	-	-	-
	2016	*8,881.05*	-	*78.34*	-	-	-	-
	2015	*11,304.75*	-	*384.22*	-	-	-	-
Letter of comfort outstanding	2017	-	-	77.47	-	-	-	-
	2016	-	-	*71.54*	-	-	-	-
	2015	-	-	*83.03*	-	-	-	-
Other payables	2017	10.61	4.09	2.02	-	15.67	5.97	22.07
	2016	*7.62*	*3.92*	*0.02*	-	*34.59*	*1.21*	*25.47*
	2015	*7.42*	*2.07*	-	-	*26.74*	*1.22*	*23.96*

Notes:

@ During the year, Loan and Interest accrued thereon given to Coastal Gujarat Power Limited and Tata Power Renewable Energy Limited amounting to ₹ 3,855.89 crore *(Previous period - ₹ Nil)* 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

43. 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 Amount Outstanding during the year** ₹ crore	Investments in Company's Shares (Nos.)
Tata Power Renewable Energy Ltd.	Subsidiary	Nil	182.00	Nil
		106.00	*106.00*	*Nil*
Coastal Gujarat Power Ltd.	Subsidiary	Nil	3,544.30	Nil
		3,484.30	*3,734.30*	*Nil*
Industrial Energy Ltd.	Joint Venture	Nil	Nil	Nil
		Nil	*39.86*	*Nil*
Maithon Power Ltd.	Subsidiary	Nil	*123.50*	Nil
		123.50	*123.50*	*Nil*
Tata Power Jamshedpur Distribution Ltd $	Subsidiary	0.01	0.01	Nil
		Nil	*7.92*	*Nil*
NELCO Ltd	Subsidiary	Nil	Nil	Nil
		Nil	*5.00*	*Nil*
Mandakini Coal Company Ltd. $	Joint Venture	54.18	54.18	Nil
		54.16	*54.16*	*Nil*
Itezhi Tezhi Power Corporation	Joint Venture	15.48	*29.05*	Nil
		29.05	*29.05*	*Nil*
Nelito Systems Ltd. $	Associate	1.27	1.27	Nil
		1.27	*1.27*	*Nil*

Notes:

** Excluding interest accrued.

$ Provided for.

Previous year's figures are in italics.

44. 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 Defence Electronics and Engineering, 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.

Notes to the Financial Statements

44. Segment Reporting *(Contd.)*

₹ crore

	Power	Others	Elimi-nations	Total
REVENUE				
External Revenue	6,574.35	707.71	-	**7,282.06**
	7,589.43	*726.10*	-	***8,315.53***
RESULT				
Total Segment Results	1,595.56	97.59	-	1,693.15
	2,066.54	*81.54*	-	*2,148.08*
Finance Costs				(1,295.68)
				(1,146.12)
Exceptional Item - Unallocable				(651.45)
				-
Unallocable Income net of Unallocable Expense				760.11
				732.33
Income Taxes				(222.68)
				(379.30)
Profit After Tax				**283.45**
				1,354.99
OTHER INFORMATION				
Segment Assets	14,168.67	2,323.33	-	16,492.00
	14,740.20	*1,643.23*	-	*16,383.43*
Unallocable Assets				23,376.67
				18,231.19
Total Assets				**39,868.67**
				34,614.62
Segment Liabilities	4,338.25	547.35	-	4,885.60
	4,128.00	*628.39*	-	*4,756.39*
Unallocable Liabilities				18,434.51
				13,007.77
Total Liabilities				**23,320.11**
				17,764.16
Capital Expenditure	610.46	272.39	-	882.85
	773.21	*236.06*	-	*1,009.27*
Non-cash Expenses other than Depreciation/Amortisation (to the extent allocable to segment)	18.59	17.77	-	36.36
	20.42	*3.99*	-	*24.41*
Depreciation/Amortisation (to the extent allocable to segment)	600.82	33.39	-	634.21
	578.13	*26.33*	-	*604.46*

₹ crore

Reconciliation of Revenue	***31st March, 2017***	***31st March, 2016***
Revenue from Operations (Net)	7,218.06	*8,696.94*
Add/(Less): Regulatory income/(expense) (net)	(13.00)	*(438.00)*
Add/(Less): Regulatory income (net) in respect of earlier years	77.00	*56.59*
Total Segment Revenue as reported above	**7,282.06**	***8,315.53***

*Note***:** Previous year's figures are in italics.

Notes to the Financial Statements

45. Earnings Per Share

	31st March, 2017	*31st March, 2016*
Basic earning per share		
Profit for the year (₹ crore)	283.45	*1,354.99*
Less: Distribution on Unsecured Perpetual Securities (Net of Tax) (₹ crore)	111.82	*111.82*
Net profit for the year attributable to the equity shareholders (₹ crore)	171.63	*1,243.17*
The weighted average number of equity shares for basic earnings per share (Nos.)	270,76,05,570	*270,76,05,570*
Par value per share (in ₹)	1.00	*1.00*
Basic earnings per share (in ₹)	0.63	*4.59*
Diluted earning per share	0.63	*4.59*

Note: The Company did not have any potentially dilutive securities in any of the period presented.

46. Disclosure in terms of G.S.R.307(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs, Government of India

The details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016, the denomination wiss SBNs and other notes as per the notification is given below:

	Specified Bank notes ₹ crore	Other denomination notes ₹ crore	Total ₹ crore
Closing cash in hand as at 8th November, 2016	Nil	Nil	Nil
Add: Permitted receipts	35.88	15.33	51.21
Less: Permitted payments	Nil	Nil	Nil
Less: Amount deposited in Banks	35.88	15.33	51.21
Closing cash in hand as at 30th December, 2016	Nil	Nil	Nil

During the period from 10th November, 2016 to 15th December, 2016, the Company was allowed to receive SBNs as a legal tender from its customers towards payment of their electricity dues. The Company has designated collection centres, which are permitted to receive cash from its customers. Cash collected at these centres is directly deposited into Company's Bank accounts. The Company has received details of SBNs deposited from respective banks, and has considered amount collected as equivalent to amount deposited.

Notes to the Financial Statements

47. Explanation of Transition to Ind AS and effect of Ind AS adoption

47.1 First-time adoption-mandatory exceptions, optional exemptions

a. **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

b. **Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

d. **Deemed cost for PPE, investment property and intangible assets**

The Company has elected to restate retrospectively generally all its property, plant and equipment and intangible assets as per the Ind AS 16 on transition date (as at 1st April, 2015).

e. **Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing as of the transition date.

f. **Equity investments at FVTOCI**

The Company has designated investment in equity shares of its non-current investments as FVTOCI on the basis of facts and circumstances that existed at the transition date.

g. **Investments in subsidiaries, joint ventures and associates**

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1st April, 2015 in its separate financial statements and use that carrying values as its deemed cost as of the transition date.

47.2 Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015.

	Notes	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Equity as reported under previous GAAP		**16,231.96**	**15,966.62**
Arrangements accounted as finance lease	(c)	80.88	130.22
Decapitalisation of foreign exchange losses under Ind AS	(f)	(171.24)	(191.68)
Effect of measuring Fair value of investments	(a), (b)	108.93	128.83
Changes in fair value of derivative contracts	(d)	16.36	7.15
Impact of redeemable preference shares accounted as financial asset	(g)	83.76	58.48
Recognition of finance income on interest free loans and guarantees given to subsidiaries	(g)	413.43	67.33
Increase in borrowing cost pursuant to application of effective interest rate	(i)	17.11	21.13
Others		1.14	Nil
Tax on above adjustments	(h)	(379.07)	(390.78)
Distribution on perpetual securities including tax thereon		47.28	47.01
Dividend including tax thereon	(e)	399.92	384.33
Equity under Ind AS		**16,850.46**	**16,228.64**

Notes to the Financial Statements

47. Explanation of Transition to Ind AS and effect of Ind AS adoption *(Contd.)*

47.3 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016.

	Notes	As at 31st March, 2016 ₹ crore
Profit after tax reported under per previous GAAP		**771.62**
Adjustments :		
Arrangements accounted as finance lease	(c)	*(49.34)*
Decapitalisation of foreign exchange losses under Ind AS	(f)	*27.86*
Changes in fair value of derivative contracts	(d)	*9.21*
Impact of redeemable preference shares accounted as financial asset	(g)	*25.28*
Recognition of finance income on interest free loans and guarantees given to subsidiaries	(g)	*346.10*
Transfer to contingency reserve fund through Profit and loss		*(21.00)*
Reclassifiction of actuarial gains/losses, arising in respect of employee benefit schemes, to other comprehensive income	(j)	*5.20*
Reclassifiction of fair value of investments through other comprehensive income	(b)	*226.48*
Others	(i), (a)	*(4.58)*
Tax on above adjustments	(h)	*18.16*
Total effect of transition to Ind AS		***583.37***
Profit for the year as per Ind AS		***1,354.99***
Other comprehensive income/(expense) for the year (net of tax)		***(258.00)***
Total comprehensive income reported under Ind AS		***1,096.99***

47.4 Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2016.

₹ crore

	For the year ended 31st March, 2016		
	Previous GAAP	***Effect of Transition to Ind AS***	***Ind AS***
Net Cash flow from/(used in) operating activities	*2,987.45*	*(40.20)*	*2,947.25*
Net Cash flow from/(used in) investing activities	*(1,667.69)*	*40.20*	*(1,627.49)*
Net Cash flow from/(used in) financing activities	*(1,551.78)*	*(148.93)*	*(1,700.71)*
Net Increase/(Decrease) in cash and cash equivalents	*(232.02)*	*(148.93)*	*(380.95)*
Cash and Cash equivalents at the beginning of the period	*265.85*	*Nil*	*265.85*
Cash and Cash equivalents at the end of the period	***33.83***	***(148.93)***	***(115.10)***

Analysis of Cash and Cash Equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purposes of statement of cash flow under Ind AS

	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 ₹ crore
Cash and Cash equivalents for the purposes of statement of cash flow as per previous GAAP	33.83	265.85
Bank Overdrafts	(148.93)	Nil
Cash and Cash equivalents for the purpose of statement of cash flow under Ind AS	**(115.10)**	**265.85**

Notes to the Financial Statements

47. Explanation of Transition to Ind AS and effect of Ind AS adoption *(Contd.)*

47.5 Notes to reconciliations between Previous GAAP and Ind AS

(a) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS these financial assets have been classified as Fair Value through Profit and Loss (FVTPL) on the date of transition and fair value changes after the date of transition have been recognised in statement of profit and loss.

(b) Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

(c) Under previous GAAP, finance lease arrangement is recorded based on the legal form. Whereas under Ind AS arrangement that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.

(d) Under previous GAAP, the net mark-to market losses on derivative financial instruments, as at the Balance Sheet date, were recognised in statement of profit and loss and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the changes are recognised in statement of profit and loss.

(e) Under previous GAAP, dividend payable is recognised as a liability in the period to which it relates. Under Ind AS, dividend to shareholders is recognised when declared by the members in annual general meeting.

(f) Under the previous GAAP the Company had adopted para 46 of AS-11 and capitalised exchange gain/loss. Whereas in Ind AS the Company has adopted Ind AS cost for all its Fixed Assets, hence exchange gain/loss is recognised in opening reserve and changes thereafter are recognised in statement of profit and loss or other comprehensive income, as the case may be.

(g) Under Ind AS the Company has recognised income on preference shares and Interest free loans given to subsidiaries.

(h) The deferred tax adjustments include the impact of transition adjustments together with Ind AS mandate of using balance sheet approach against profit and loss approach in the previous GAAP. On the date of transition, deferred tax impact on transition provision has been accounted in the Reserves, and consequential impact in the statement of profit and loss for the subsequent periods.

(i) Under previous GAAP, loan processing fees/transaction cost were expensed when incurred, whereas under Ind AS, it is considered for calculating effective interest rate and the impact for the periods subsequent to the date of transition is accounted in the statement of profit and loss.

(j) Defined benefit plans - Under Ind AS, actuarial gains or losses arising on defined benefit plans are recognised in other comprehensive income, whereas under previous GAAP same was being charged to the statement of profit and loss.

48. The Company is engaged in the business of providing infrastructural facilities as per Section 186 (ii) read with Schedule VI of the Act. Accordingly, disclosure under Section 186 of the Act, is not applicable to the Company.

49. 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.

50. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 19th May, 2017.

Performance Perspective (Standalone)

₹ crore

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	@2015-16	@2016-17
Generation (in MU's)	14,717	14,807	15,946	15,325	15,230	15,770	13,183	11,974	12,075	12,227
Operating Income !	5,916	7,236	7,098	6,918	8,496	9,567	8,675	8,678	8,316	7,282
Operating Expenses	4,979	6,095	5,220	5,330	6,711	7,509	6,121	6,516	5,736	5,108
Operating Profit	937	1,141	1,879	1,588	1,785	2,058	2,554	2,162	2,580	2,174
Other Income #	498	632	282	494	983	722	656	1,025	962	992
EBDITA	1,435	1,773	2,160	2,082	2,768	2,752	2,946	3,138	3,485	3,087
Finance Cost	174	328	423	460	515	684	868	1,047	1,146	1,296
Depreciation	291	329	478	510	570	364	587	575	604	634
Exceptional Items	-	-	-	-	-	-	-	-	-	651
PBT	970	1,117	1,259	1,112	1,683	1,703	1,491	1,516	1,734	506
Tax	100	195	320	171	513	678	537	506	379	223
PAT	870	922	939	941	1,170	1,025	954	1,010	1,355	283
Basic Earning Per Share (EPS) - ₹ / shares	39	44	41	41	5	3	3	3	5	1
Dividend per share(%)	105%	115%	120%	125%	125%	115%	125%	130%	130%	130%

Return On Capital Employed [ROCE] (%)	12%	11%	11%	10%	10%	9%	10%	9%	13%	9%
Return On Net Worth [RONW] (%)	13%	14%	10%	10%	10%	7%	7%	6%	8%	1%
Long Term Debts / Equity	0.34	0.52	0.55	0.63	0.59	0.71	0.71	0.58	0.58	0.85
Total Debts/ Equity	0.38	0.60	0.55	0.70	0.65	0.80	0.83	0.69	0.67	1.00

Capital	221	221	237	237	237	237	237	270	270	270
Shareholder's Reserves	6,331	7,182	9,173	9,801	10,389	10,803	11,649	14,196	15,080	14,778
Unsecured Perpetual Securities	-	-	-	-	1,500	1,500	1,500	1,500	1,500	1,500
Borrowings	3,037	5,198	5,872	6,981	7,906	10,069	11,080	11,037	11,229	16,504
Gross Block (incl. Capital WIP)	8,164	9,747	10,487	11,548	13,083	14,137	15,607	16,878	14,913	15,595
Accumulated Depreciation	3,477	3,795	4,258	4,736	5,300	5,648	6,233	6,729	5,826	6,354
Net Block	4,687	5,952	6,229	6,812	7,783	8,489	9,374	10,149	9,087	9,241

Notes:

* Share split from ₹ 10 to ₹ 1 in FY 12.

\# Other Income excludes Gain/(Loss) on exchange.

! Includes Rate Regulatory Income/(Expenses).

FY11, FY12, FY13, FY14, FY15 figures are based on Revised Schedule VI workings.

@ FY16 & FY17 figure are based on Ind AS.

GLOSSARY

AA	Affirmative Action
ADB	Asian Development Bank
AfDB	African Development Bank
AGL	Adjaristsqali Georgia LLC
AGM	Annual General Meeting
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARMC	Apex Risk Management Committee
ASEAN	Association of Southeast Asian Nations
AT&C	Aggregate Technical and Commercial
ATAGS	Advanced Towed Artillery Gun System
AVVNL	Ajmer Vidyut Vitran Nigam Limited
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BRR	Business Responsibility Report
BSI	British Standards Institute
BSSR	PT Baramulti Suksessarana Tbk
BU	Billion Units
CDPQ	Caisse de dépôt et placement du Québec
CEA	Central Electricity Authority
CEC	Chief Ethics Counselor
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CGPL	Coastal Gujarat Power Limited
CGS	Central Generating Station
CII	Confederation of Indian Industry
CIL	Coal India Limited
CKm	Circuit Kilometers
CKP	Citra Kusuma Perdana
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organizations
CSA	Control Self Assessment
CSI	Community Satisfaction Index
CSIR-CIMFR	Central Institute of Mining and Fuel Research
CSR	Corporate Social Responsibility
CTTL	Chemical Terminal Trombay Limited
DBSA	Development Bank of South Africa
DD	Due Diligence
DDG	Decentralized Distributed Generation
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DEEP	Discovery of Efficient Electricity Price
DELP	Domestic Efficient Lighting Programme
DERC	Delhi Electricity Regulatory Commission
DF	Distribution Franchisee
DHPC	Dagachhu Hydro Power Corporation Limited
DHS	Deloitte Haskin and Sells LLP
DISCOM	Distribution Company
DSM	Demand-side management
DVC	Damodar Valley Corporation
EA 2003	Electricity Act, 2003
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBRD	European Bank for Reconstruction and Development
EESL	Energy Efficiency Services Limited
EIR	Effective Interest Rate
EPC	Engineering Procurement Construction
EU	European Union
FEMA	Foreign Exchange Management Act, 1999
FFA	Field Force Automation
FM	Force Majeure
FMO	Netherlands Development Finance Company
FOB	Freight on Board
FRMC	Functional Risk Management Committee
FY	Financial Year
GCC	General Conditions of Contracts
GCV	Gross Calorific Value
GGRC	Gujarat Green Revolution Company Limited
GIS	Gas Insulated Switchgear
GoI	Government of India
GoM	Government of Maharashtra
GRI	Global Reporting Initiative
GW	Gigawatt
HC	High Court
HT	High Tension
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
IIM	Indian Institute of Management
IIRC	International Integrated Reporting Council
IIT	Indian Institute of Technology
IndAS	Indian Accounting Standards
IPP	Independent Power Producer
IPPPP	Independent Power Producer Procurement Programme
IR	Integrated Reporting
ISTS	Inter-State Transmission System
ITPC	Itezhi Tezhi Power Corporation Limited
JSERC	Jharkhand State Electricity Regulatory Commission
JV	Joint Venture
KIA	Kuwait Investment Authority
KISS	Kalinga Institute of Social Sciences
KPC	PT Kaltim Prima Coal
KPO	Kalinganagar Project Office
KV	Kilo Volt
LED	Light Emitting Diode
LIBOR	London Interbank Offered Rate
LNG	Liquid Natural Gas
LTIFR	Lost Time Injuries Frequency Rate
M&A	Mergers and Acquisitions
MCA	Multi Civic Amenities
MCC	Millennium Challenge Corporation
MD	Managing Director
MD&A	Management Discussion and Analysis
MERC	Maharashtra Electricity Regulatory Commission
MGLI	Mahatma Gandhi Labour Institute
MMRCL	Mumbai Metro Rail Corporation Limited
MMSCM	Million Metric Standard Cubic Meter
MNRE	Ministry of New & Renewable Energy
MoD	Ministry of Defence
MoP	Ministry of Power
MoU	Memorandum of Understanding
MPL	Maithon Power Limited
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MT	Million Tonnes

MUs	Million Units
MW	Megawatt
MYT	Multi Year Tariff
NCD	Non-Convertible Debenture
NCT	National Capital Territory
NPA	Non-Performing Assets
NRC	Nomination and Remuneration Committee
NTPC	National Thermal Power Corporation Limited
NVD	Night Vision Devices
NYK	Nehru Yuva Kendra
O&M	Operations and Maintenance
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
OPEX	Operating Expenditure
PAT	Profit After Tax
PBT	Profit Before Tax
PCB	Polychlorinated Biphenyl
PH6	Power House 6
PLF	Plant Load Factor
PMS	Performance Management System
PPA	Power Purchase Agreement
PRI	Process Robustness Index
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
R-Infra	Reliance Infrastructure Limited
RMC	Risk Management Committee
RMCI	Risk Mitigation Completion Index
RO	Reverse Osmosis
RPO	Renewable Purchase Obligation
SAC	Sustainability Advisory Council
SAIDI	System Average Interruption Duration Index
SCADA	Supervisory Control and Data Acquisition
SED	Strategic Engineering Division
SGRF	State General Reserve Fund

SHG	Self Help Group
SLP	Special Leave Petition
SLT	Senior Leadership Team
SMRD	Smart Revenue Recovery Device
SPC	Special Purpose Company
SPS	Structured Problem Solving
SPV	Special Purpose Vehicle
T&D	Transmission and Distribution
TCOC	Tata Code of Conduct
TCS	Tata Consultancy Services Limited
TPADL	TP Ajmer Distribution Limited
TPC-D	Tata Power Company - Distribution
TPCDT	Tata Power Community Development Trust
TPC-T	Tata Power Company - Transmission
TPDDL	Tata Power Delhi Distribution Limited
TPJDL	Tata Power Jamshedpur Distribution Limited
TPP	Trans-Pacific Partnership

TPREL	Tata Power Renewable Energy Limited
TPSDI	Tata Power Skill Development Institue
TPSSL	Tata Power Solar Systems Limited
TPTCL	Tata Power Trading Company Limited
TSDL	Tata Steel Distribution Licensee
TSL	Tata Sons Limited
TTML	Tata Teleservices (Maharashtra) Ltd
TTSL	Tata Teleservices Limited
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
WACC	Weighted Average Cost of Capital
WREPL	Welspun Renewables Energy Private 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 No.: *
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: Signature of sole/first holder

Encl:

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. Alternatively, you can also send the same via WhatsApp on +91 79001 77775 .
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.

Route Map to the 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

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

[Pursuant 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 .... shares of the above named company, hereby appoint

1. Name :.. E-mail ID :..
   Address :..
   .... Signature : .... or failing him
2. Name :.. E-mail ID :..
   Address :..
   .... Signature : .... or failing him
3. Name :.. E-mail ID :..
   Address :..
   .... Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 98th Annual General Meeting of the Company, to be held on the 23rd day of August 2017 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.		For	Against
1	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March 2017 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 2017 together with the Report of the Auditors thereon	☐	☐
3	Declaration of dividend on Equity Shares for the financial year ended 31st March 2017	☐	☐
4	Appointment of Director in place of Ms. Sandhya S. Kudtarkar (DIN: 00021947), who retires by rotation and, being eligible, offers herself for re-appointment	☐	☐
5	Appointment of Auditors	☐	☐
6	Appointment of Mr. N. Chandrasekaran as a Director	☐	☐
7	Appointment of Mr. S. Padmanabhan as a Director	☐	☐
8	Appointment of Ms. Anjali Bansal as a Director and as an Independent Director	☐	☐
9	Appointment of Ms. Vibha Padalkar as a Director and as an Independent Director	☐	☐
10	Appointment of Mr. Sanjay V. Bhandarkar as a Director and as an Independent Director	☐	☐
11	Appointment of Mr. K. M. Chandrasekhar as a Director and as an Independent Director	☐	☐
12	Re-appointment of Mr. Ashok S. Sethi as COO and Executive Director	☐	☐
13	Revision in terms of remuneration of Mr. Anil Sardana, CEO and Managing Director	☐	☐
14	Private placement of Non-Convertible Debentures/Bonds	☐	☐
15	Increase in the Authorised Share Capital of the Company	☐	☐
16	Alteration of the Memorandum of Association of the Company	☐	☐
17	Appointment of Branch Auditors	☐	☐
18	Ratification of Cost Auditor's Remuneration	☐	☐

Signed this .... day of....................................... 2017

Signature of shareholder ....

Affix Revenue Stamp

Signature of Proxy holder(s) ....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company 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

Striving for Excellence in Customer Service

Bachpan Gully

Customer Care Centre

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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