

**COASTAL GUJARAT POWER LIMITED**

## **INDEPENDENT AUDITOR'S REPORT To The Members of Coastal Gujarat Power Limited Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Coastal Gujarat Power Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 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 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 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 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 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that

DHS LLP

# Deloitte Haskins & Sells LLP

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 Ind AS financial statements.

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

## Opinion

In our opinion and to the best of our information, the aforesaid 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 31<sup>st</sup> March, 2017, and its loss, 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 Ind AS financial statements:

- a) Note 26.3 (b) to the Ind AS financial statement, which describes the key source of estimation uncertainties as at 31<sup>st</sup> March, 2017 relating to the carrying amount of assets.
- b) Note 26.3 (c) to the Ind AS financial statement, which states that the Company continues to incur losses, has net current liability position and also describes the non-compliance of debt covenants. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the Ind AS financial statements have been prepared on a going concern basis considering the support of the holding company.

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, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
  - 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 relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

DHS LLP

# Deloitte Haskins & Sells LLP

- e) The matter described under the Emphasis of Matters paragraph 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) 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 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. The Company has provided requisite disclosures in the 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 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> 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)



Amol A. Apte  
Partner

Membership No. 076289

Mumbai, 9th May, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(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")**

We have audited the internal financial controls over financial reporting of Coastal Gujarat Power Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

# Deloitte Haskins & Sells LLP

## 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 Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Our opinion is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)



Amol A. Apte  
Partner  
Membership No. 076289

MUMBAI, 9<sup>th</sup> 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)

### **Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Coastal Gujarat Power Limited ('the Company')**

(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 explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date

In respect of immovable properties of land that have been taken on lease and disclosed as Other assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

(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) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees which are covered under section 185 and 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31<sup>st</sup> March, 2017 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

DHS LP

# Deloitte Haskins & Sells LLP

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. 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:
- 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.
  - There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
  - Details of dues of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as on 31<sup>st</sup> March, 2017 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates (Financial Year)	Rupees crores
Income Tax Act, 1961	Income tax	Appellate Authority – upto Commissioner level	2008-09 to 2010-11	102.30*
Customs Laws	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2011-12 to 2012-13	23.87*
Bombay Stamp Act	Stamp Duty	Supreme Court	2012-13 to 2016-17	17.31

\*net of amount paid under protest of Rs. 0.12 crores for Income Tax and Rs. 52.45 crores for Custom duty.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

DHS LLP

# Deloitte Haskins & Sells LLP

- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (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 3(xii) of the 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 Ind AS 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 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him 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 Registration No. 117366W/W - 100018)



Amol A. Apte  
Partner  
Membership No.076289

MUMBAI, 9<sup>th</sup> May, 2017

Coastal Gujarat Power Limited  
Balance Sheet as at 31st March, 2017

All amounts are in Rs. crores unless otherwise stated

ASSETS	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Non-current assets</b>				
(a) Property, plant and equipment	4(i)	17,495.29	17,882.42	15,891.29
(b) Capital work-in-progress		27.88	79.48	5.13
(c) Other intangible assets	4(ii)	127.64	134.30	119.66
(d) Financial Assets : Investments	5	3.40	3.40	3.40
(e) Income tax assets (Net)	6	6.94	9.48	8.66
(f) Other non-current assets	7	185.46	190.60	193.60
<b>Total non-current assets</b>		<b>17,846.61</b>	<b>18,299.68</b>	<b>16,221.74</b>
<b>Current assets</b>				
(a) Inventories	8	510.29	322.30	394.23
(b) Financial Assets				
(i) Investments	5	116.97	91.24	181.34
(ii) Trade receivables	9	464.30	514.75	601.65
(iii) Cash and cash equivalents	10(i)	64.06	227.01	307.36
(iv) Bank balances other than (iii) above	10(ii)	47.00	-	-
(v) Other financial assets	11	404.27	122.37	110.68
(c) Other current assets	7	1.21	1.11	45.04
<b>Total current assets</b>		<b>1,608.10</b>	<b>1,278.78</b>	<b>1,640.30</b>
<b>Total assets</b>		<b>19,454.71</b>	<b>19,578.46</b>	<b>17,862.04</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	12	6,083.42	6,030.42	5,980.57
(b) Other Equity	13	(6,456.61)	(5,787.58)	(7,570.50)
		(373.19)	242.84	(1,589.93)
(c) Unsecured perpetual securities	14	4,459.88	-	-
<b>Total Equity</b>		<b>4,086.69</b>	<b>242.84</b>	<b>(1,589.93)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	-	2,219.79	1,908.46
(ii) Other financial liabilities	16	-	196.46	196.46
(b) Provisions	17	10.40	15.85	12.97
(c) Deferred Tax Liability	26.9	-	-	-
(d) Other non-current liabilities	18	1,771.15	1,821.89	1,872.61
<b>Total non-current liabilities</b>		<b>1,781.55</b>	<b>4,253.99</b>	<b>3,990.50</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	10,195.11	12,061.89	13,239.59
(ii) Trade Payables	20	2,412.52	1,871.52	924.68
(iii) Other financial liabilities	16	874.52	1,091.01	1,242.37
(b) Provisions	17	7.28	1.03	1.47
(c) Other current liabilities	18	97.04	56.18	53.36
<b>Total current liabilities</b>		<b>13,586.47</b>	<b>15,081.63</b>	<b>15,461.47</b>
<b>Total Liabilities</b>		<b>15,368.02</b>	<b>19,335.62</b>	<b>19,451.97</b>
<b>Total Equity And Liabilities</b>		<b>19,454.71</b>	<b>19,578.46</b>	<b>17,862.04</b>

See accompanying notes to the financial statements  
In terms of our report attached.  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

1-28

For and on behalf of the Board of Directors

Amol A. Apte  
Partner

Anil Sardana  
Chairman

Krishna Kumar Sharma  
Executive Director and  
Chief Executive Officer

Hardeep Singh Guru  
Chief Financial Officer

Ajay Bagri  
Company Secretary

Place : Mumbai  
Date : 9th May, 2017

Place : Mumbai  
Date : 9th May, 2017

**Coastal Gujarat Power Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2017**

All amounts are in Rs. crores except for earnings per share information

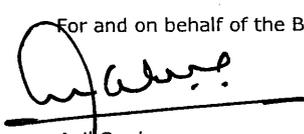
	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue from Operations	21	6,054.85	5,978.27
II Other Income	22	(212.00)	(563.64)
<b>III Total Income (I + II)</b>		<b>5,842.85</b>	<b>5,414.63</b>
<b>IV Expenses</b>			
(a) Cost of fuel		5,006.06	4,126.17
(b) Employee benefit expenses	23	55.90	53.10
(c) Finance costs	24	675.08	1,291.67
(d) Depreciation and amortization expenses	4(iii)	502.93	439.48
(e) Other expenses	25	452.62	502.57
<b>Total expenses (IV)</b>		<b>6,692.59</b>	<b>6,412.99</b>
<b>V Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(849.74)</b>	<b>(998.36)</b>
VI Less: exceptional item Reversal of impairment on property plant and equipment and intangible assets	4(i)& 4(ii)	-	-2,435.51
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>(849.74)</b>	<b>1,437.15</b>
VIII Tax Expense		-	-
<b>IX Profit/(Loss) after tax (VII-VIII)</b>		<b>(849.74)</b>	<b>1,437.15</b>
<b>X Other comprehensive income/expense</b>			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of defined benefit plans		1.30	(0.34)
<b>Total other comprehensive income/expense</b>		<b>1.30</b>	<b>(0.34)</b>
<b>XI Total comprehensive income / (loss) (IX+X)</b>		<b>(848.44)</b>	<b>1,436.81</b>
Earnings per equity share:	26.11		
(1) Basic (in Rupees)		(1.40)	2.39
(2) Diluted (in Rupees)		(1.40)	1.80

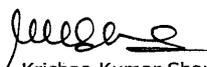
See accompanying notes to the financial statements  
 In terms of our report attached.  
 For Deloitte Haskins & Sells LLP  
 Chartered Accountants

  
 Amol A. Apte  
 Partner

1-28

For and on behalf of the Board of Directors

  
 Anil Sardana  
 Chairman

  
 Krishna Kumar Sharma  
 Executive Director and  
 Chief Executive Officer

  
 Hardeep Singh Guru  
 Chief Financial Officer

  
 Ajay Bagri  
 Company Secretary

Place : Mumbai  
 Date : 9th May, 2017

Place : Mumbai  
 Date : 9th May, 2017

122

Coastal Gujarat Power Limited  
Statement of changes in equity

All amounts are in Rs. crores unless otherwise stated

A. Equity Share Capital

	No of Shares	Amount
Balance as at 1st April, 2015	59805,70,000	5,980.57
Issue of equity shares of Rs. 10 fully paid (at par) during the year	498,50,000	49.85
<b>Balance as at 31st March, 2016</b>	<b>60304,20,000</b>	<b>6,030.42</b>
Issue of equity shares of Rs. 10 each fully paid (at par) during the year on right basis	530,00,000	53.00
<b>Balance as at 31st March, 2017</b>	<b>60834,20,000</b>	<b>6,083.42</b>

B. Other equity

Particulars	Deemed Capital Contribution	Reserves and Surplus	
		Retained Earnings	Total
Balance as at 1st April, 2015	67.33	(7,637.83)	(7,570.50)
Profit for the year	-	1,437.15	1,437.15
Other comprehensive income for the year, net of income tax	-	(0.34)	(0.34)
Total comprehensive income for the year	-	1,436.81	1,436.81
Contribution during the year	346.11	-	346.11
<b>Balance as at 31st March, 2016</b>	<b>413.44</b>	<b>(6,201.02)</b>	<b>(5,787.58)</b>
Loss for the year	-	(849.74)	(849.74)
Other comprehensive income for the year, net of income tax	-	1.30	1.30
Total comprehensive income for the year	-	(848.44)	(848.44)
Contribution during the year	179.41	-	179.41
<b>Balance as at 31st March, 2017</b>	<b>592.85</b>	<b>(7,049.46)</b>	<b>(6,456.61)</b>

C. Unsecured perpetual securities

	Amount
Balance as at 1st April, 2015	-
Issue during the year	-
<b>Balance as at 31st March, 2016</b>	<b>-</b>
Issue during the year	4,459.88
<b>Balance as at 31st March, 2017</b>	<b>4,459.88</b>

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Amol A. Apte  
Partner

Place : Mumbai  
Date : 9th May, 2017

For and on behalf of the Board,

Anil Sardana  
Chairman

Hardeep Singh Guru  
Chief Financial Officer

Place : Mumbai  
Date : 9th May, 2017

Krishna Kumar Sharma  
Executive Director and  
Chief Executive Officer

Ajay Bagri  
Company Secretary

pd.

Coastal Gujarat Power Limited  
Cash Flow Statement for the year ended 31st March, 2017

All amounts are in Rs. crores unless otherwise stated

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores
<b>A. Cash flow from operating activities</b>				
Profit/(Loss) before tax		(849.74)		1,437.15
Adjustments for:				
Depreciation and amortisation	502.93		439.48	
Loss on Sales/scrapping of Assets (net)	0.08		0.04	
Finance costs	675.08		1,291.67	
Amortisation of Government Grant	(50.72)		(50.72)	
Interest income	(4.76)		(7.67)	
Net gain arising on financial assets designated as at FVTPL	(11.73)		(19.34)	
Allowance for doubtful debts	-		87.28	
Reversal of impairment loss	-		(2,435.51)	
Unrealised loss/(gain) (net) on mark to market of forward contracts	197.87		17.59	
Unrealised loss/(gain) (net) on mark to market of option contracts	90.35		12.06	
Exchange loss/(gain) on borrowings	(118.27)		235.91	
Net unrealised exchange gain on buyers' credit	(1.80)		-	
		<u>1,279.03</u>		<u>(429.21)</u>
Movement in working capital:		429.29		1,007.94
Adjustments for (increase) / decrease in operating assets:				
Inventories	(187.99)		71.93	
Trade receivables	50.45		(0.38)	
Other current assets	(0.10)		43.93	
Other non-current assets	1.07		(0.73)	
Other financial assets	(347.50)	(484.07)	(41.41)	73.34
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	541.00		946.84	
Other current liabilities	40.86		2.82	
Short-term provisions	6.25		(0.44)	
Long-term provisions	(4.15)		2.54	
Other financial liabilities	-	583.96	(80.11)	871.65
Cash flow from/(used in) operations		529.18		1,952.93
Net income tax paid (net of refund)		2.54		(0.82)
<b>Net cash flow from/(used in) operating activities</b>	<b>(A)</b>	<u><b>531.72</b></u>		<u><b>1,952.11</b></u>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(46.66)		(142.01)	
Proceeds from sale of fixed assets	0.06		0.15	
Purchase of Current Investments	(5,478.30)		(6,787.49)	
Proceeds from sale of Current Investments	5,464.30		6,896.94	
Interest received on deposits with bank and others	4.76		7.67	
Bank balances not forming part of cash and cash equivalents	(47.00)		-	
		<u>(102.84)</u>		<u>(24.74)</u>
<b>Net cash flow from/(used in) in investing activities</b>	<b>(B)</b>	<u><b>(102.84)</b></u>		<u><b>(24.74)</b></u>

HC  
HC

Coastal Gujarat Power Limited  
Cash Flow Statement for the year ended 31st March, 2017

All amounts are in Rs. crores unless otherwise stated

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rupees Crores	Rupees Crores	Rupees Crores	Rupees Crores
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	53.00		-	
Proceeds from Unsecured perpetual securities	664.00		-	
Proceeds from long-term borrowings	-		311.33	
Proceeds from short-term borrowings	400.00		2,479.61	
Repayment of short-term borrowings	(920.02)		(3,025.27)	
Buyers credit movement (net)	36.01		(822.17)	
Finance costs	(824.82)		(951.22)	
		(591.83)		(2,007.72)
<b>Net cash flow from/(used in) financing activities</b>	<b>(C)</b>	<b>(591.83)</b>		<b>(2,007.72)</b>
<b>Net decrease in Cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(162.95)</b>		<b>(80.35)</b>
Cash and cash equivalents at the beginning of the period		227.01		307.36
<b>Cash and cash equivalents at the end of the period</b>		<b>64.06</b>		<b>227.01</b>
<b># Comprises</b>				
(a) Cash on hand		*		*
(b) Balances with banks In current accounts		64.06		227.01
		<u>64.06</u>		<u>227.01</u>

**Notes:**

(i) During the year, loan from the holding Company amounting to Rs. 3,484.29 crores (Previous year- Nil) and interest accrued but not due thereon of Rs. 311.59 crores (Previous year- Nil) has been converted into Unsecured perpetual securities. The said conversion has been considered as non cash item for the purposes of cashflow.

(ii) During the year, loan from holding Company amounting to Rs. Nil (Previous year - Rs 49.85 crore) has been converted into equity share capital. The said conversion has been considered as non cash item for the purposes of cashflow.

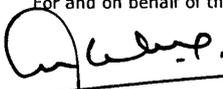
(iii) During the year, deemed interest on loan from holding Company amounting to Rs. 179.41 crores (previous period - Rs 346.11 crore) has been considered as non cash item for the purposes of cashflow.

\* Figures below Rs. 50,000 are denoted by '\*'.

**See accompanying notes to the financial statements**

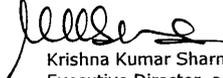
In terms of our report attached.  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Amol A. Apte  
Partner

For and on behalf of the Board,  
  
Anil Gardana  
Chairman

  
Hardeep Singh Guru  
Chief Financial Officer

Place : Mumbai  
Date : 9th May, 2017

  
Krishna Kumar Sharma  
Executive Director and  
Chief Executive Officer

  
Ajay Bagri  
Company Secretary

Place : Mumbai  
Date : 9th May, 2017

pat.

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 1. Corporate information:

Coastal Gujarat Power Limited (the "Company") was incorporated on 10th February, 2006 as a wholly owned subsidiary of Power Finance Corporation Limited and was a special purpose vehicle formed to establish the 4000 MW Ultra Mega Power Project (UMPP) at Mundra in the State of Gujarat which was awarded through a competitive bidding process. In terms of the Share Purchase Agreement dated 22nd April, 2007, the entire shareholding of Power Finance Corporation Limited in the Company was acquired by The Tata Power Company Limited. The business of the Company is to generate electricity at its 4000MW UMPP at Mundra by using imported coal.

### 2. Significant accounting policies

#### 2.1 Statement of compliance

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

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. This is the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015.

Refer note 27 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### 2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

##### 2.3.1. Sale of power

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 from Generation is recognised on an accrual basis on the basis of quantity of power supplied to procurers (State Distribution Companies) as per the Power Purchase Agreement (PPA).

Interest on delayed payments and liquidated damages are recognised, on grounds of prudence, when recovered.

##### 2.3.2 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

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.

pd HS

## **Coastal Gujarat Power Limited**

Notes forming part of the Financial Statements

### **2.4 Foreign currencies**

The functional currency of the Company is Indian rupee.

Transactions in currencies other than the functional currencies are recognised 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.

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.

### **2.5 Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction 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 the statement of profit and loss in the period in which they are incurred.

### **2.6 Government Grants**

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance Sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

### **2.7 Employee benefits**

#### **2.7.1 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.

#### **2.7.2 Defined benefits plans**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. 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 and loss. Past service cost is recognised in the Statement of profit and 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. Defined benefit costs are categorised as follows:

pd //

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments, if any, and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

### 2.7.3 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.

## 2.8 Income Taxes

### 2.8.1 Current and deferred tax for the year

Income tax expense comprises of current tax expense and deferred tax. 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.

### 2.8.2 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.

### 2.8.3 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 (other than in a business combination) 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.

pd HS

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

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

### 2.9 Property, plant and equipment

Buildings, fixtures, plant and equipment held for use in the generation of electricity or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

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 respective useful lives, using the straight-line method. The estimated useful life is determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. 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 assets stated below are consistent with schedule II to the Companies Act, 2013 except in respect of vehicles:

Buildings Plant	: 40 years
Building Others	: 30 years
Roads, Crossings, etc.	: 5 years
Plant and Machinery	: 10 to 40 years
Transmission Lines, Cable Network, etc.	: 4 years
Furniture, Fixtures and Office Equipment	: 5 to 10 years
Vehicles	: 4 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 the statement of profit and loss.

The Company has elected to restate retrospectively all its property, plant and equipment as per the Ind AS 16.

### 2.10 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives 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.

#### 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.

#### Useful lives of intangible assets

Operating right to use the sea water intake channel is amortised on the straight line method over 40 years. Computer software is amortised on straight line method over 5 years

The Company has elected to restate retrospectively all its intangible assets as per the Ind AS 16.

pd

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 2.11 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.

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 the statement of profit and 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 the Statement of profit and loss.

### 2.12 Provisions

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

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

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

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.

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a 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.

### 2.14 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 the statement of profit and loss.

pd KI

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 2.15 Financial Assets

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

#### 2.15.1 Investment in subsidiary

Investment in subsidiary is measured at cost as per Ind AS 27 - Separate Financial Statements.

#### 2.15.2 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.

#### 2.15.3 Financial assets at fair value through profit or loss

Financial assets except investments in subsidiary 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 the statement of profit and loss.

#### 2.15.4 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 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.

#### 2.15.5 Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

### 2.16 Financial liabilities and equity instruments

#### 2.16.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

#### 2.16.2 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.

#### 2.16.3 Financial liabilities

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

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 2.16.4.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

### 2.16.4.2 Derecognition of financial liabilities

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

### 2.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps 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.

### 2.18 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.

### 2.19 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.

### 2.20 Earnings per 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.

ped JK

## **Coastal Gujarat Power Limited**

Notes forming part of the Financial Statements

### **2.21 Operating Cycle**

Considering the nature of business activities, the operating cycle has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

### **2.22 Contingent Liabilities**

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### **2.23. 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 or judgements are:

Estimation of current tax expense and payable - Note 26.9

Estimation of defined benefit obligation - Note 26.7

Estimation of fair values of contingent liabilities - Note 26.4

Estimation of useful life of PPE – Note 2.9

Estimation of value in use for impairment – Note 26.3(b)

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.

## **3 First-time adoption-mandatory exceptions, optional exemptions**

### **3.1 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.

### **3.2 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).

### **3.3 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.

pd HS

## **Coastal Gujarat Power Limited**

Notes forming part of the Financial Statements

### **3.4 Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### **3.5 Deemed cost for PPE, investment property and intangible assets**

The Company has elected to restate retrospectively all its property, plant and equipment, investment property, and intangible assets as per the Ind AS 16.

### **3.6 Investments in subsidiaries**

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 value as its deemed cost as of the transition date.

### **3A 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.

pd HC

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

4(i) Property, Plant and Equipment

	Freehold Land *	Buildings- Plant	Buildings- Others	Roads, Crossings, etc.	Plant and Machinery	Transmission Lines, Cable Network, etc.	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total
<b>Cost</b>										
Balance as at 1st April, 2015	164.26	444.17	241.95	47.37	18,709.91	0.61	18.06	3.92	16.37	19,646.62
Additions	-	1.99	0.86	-	5.22	-	0.62	0.89	0.35	9.93
Disposals	-	-	-	-	(0.40)	-	Nil	(0.02)	(2.76)	(3.18)
<b>Balance as at 31st March, 2016</b>	<b>164.26</b>	<b>446.16</b>	<b>242.81</b>	<b>47.37</b>	<b>18,714.73</b>	<b>0.61</b>	<b>18.68</b>	<b>4.79</b>	<b>13.96</b>	<b>19,653.37</b>
Additions	0.33	3.29	-	0.41	103.80	-	0.23	0.40	0.73	109.19
Disposals	-	-	-	-	(1.36)	-	-	(0.11)	(0.36)	(1.83)
<b>Balance as at 31st March, 2017</b>	<b>164.59</b>	<b>449.45</b>	<b>242.81</b>	<b>47.78</b>	<b>18,817.17</b>	<b>0.61</b>	<b>18.91</b>	<b>5.08</b>	<b>14.33</b>	<b>19,760.73</b>
<b>Accumulated Depreciation and impairment</b>										
Balance as at 1st April, 2015	21.64	112.78	42.23	45.94	3,510.97	0.51	10.28	0.64	10.34	3,755.33
Depreciation expense	-	11.01	8.15	1.57	407.34	0.04	1.51	0.53	2.53	432.68
Disposals	-	-	-	-	(0.40)	-	-	(0.02)	(2.57)	(2.99)
Reversal of impairment loss recognised	(21.64)	(57.53)	(21.65)	(4.38)	(2,304.91)	(0.06)	(0.60)	(0.64)	(2.66)	-2,414.07
<b>Balance as at 31st March, 2016</b>	<b>-</b>	<b>66.26</b>	<b>28.73</b>	<b>43.13</b>	<b>1,613.00</b>	<b>0.49</b>	<b>11.19</b>	<b>0.51</b>	<b>7.64</b>	<b>1,770.95</b>
Depreciation expense	-	10.99	8.15	1.12	471.66	0.04	1.53	0.55	2.14	496.18
Disposal	-	-	-	-	(1.34)	-	-	(0.10)	(0.25)	(1.69)
<b>Balance as at 31st March, 2017</b>	<b>-</b>	<b>77.25</b>	<b>36.88</b>	<b>44.25</b>	<b>2,083.32</b>	<b>0.53</b>	<b>12.72</b>	<b>0.96</b>	<b>9.53</b>	<b>2,265.44</b>
<b>Net carrying amount</b>										
As at 1st April, 2015	142.62	331.39	199.72	1.43	15,198.94	0.10	7.78	3.28	6.03	15,891.29
As at 31st March, 2016	164.26	379.90	214.08	4.24	17,101.73	0.12	7.49	4.28	6.32	17,882.42
As at 31st March, 2017	164.59	372.20	205.93	3.53	16,733.85	0.08	6.19	4.12	4.80	17,495.29

\* Includes land in respect of which registration of title in favour of the Company is pending.

Kd

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

4(ii) Intangible Assets (finite useful life)

	Intake Channel	Computer Software	Total
<b>Cost</b>			
Balance as at 1st April, 2015		0.76	164.27
<b>Balance as at 31st March, 2016</b>	<b>163.51</b>	<b>0.76</b>	<b>164.27</b>
Additions	-	0.09	0.09
<b>Balance as at 31st March, 2017</b>	<b>163.51</b>	<b>0.85</b>	<b>164.36</b>
<b>Accumulated Depreciation and impairment</b>			
Balance as at 1st April, 2015	44.36	0.25	44.61
Amortisation expense	6.54	0.26	6.80
Reversals of impairment losses recognised in profit or loss	(21.44)	-	(21.44)
<b>Balance as at 31st March, 2016</b>	<b>29.46</b>	<b>0.51</b>	<b>29.97</b>
Amortisation expense	6.54	0.21	6.75
<b>Balance as at 31st March, 2017</b>	<b>36.00</b>	<b>0.72</b>	<b>36.72</b>
<b>Net carrying amount</b>			
As at 1st April, 2015	119.15	0.51	119.66
As at 31st March, 2016	134.05	0.25	134.30
As at 31st March, 2017	127.51	0.13	127.64

Notes: 1) Intake channel will be fully amortised in 20 years (as at 31st March, 2016: 21 years ; as at 1st April, 2015: 22 years)  
2) Computer software will be fully amortised in 1 year (as at 31st March, 2016: 2 years ; as at 1st April, 2015: 3 years)

4(iii) Depreciation and amortization expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation on Property, Plant and Equipments as per Note 4(i)	496.18	432.68
Amortisation on Intangible assets as per Note 4(ii)	6.75	6.80
<b>Total</b>	<b>502.93</b>	<b>439.48</b>

5. Investments - Non current

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment at cost less impairment, if any.			
<b>Unquoted Investments</b>			
Investment in subsidiary	3.40	3.40	3.40
Equity shares in Energy Eastern Pte. Ltd. fully paid up *			
* All shares have been pledged with Lenders of the Company.			
<b>Total (A)</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>

Current (at Fair Value through Profit and Loss)	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
<b>Unquoted Investments in Mutual Funds</b>						
Sundaram Money Fund - Growth	-	-	-	-	197,14,661	58.19
Religare Liquid Fund - Growth	-	-	-	-	6,39,761	123.15
HDFC Cash Mangement plan Fund- Growth	-	-	71,657	22.74	-	-
Kotak Liquid-Growth	-	-	780	0.29	-	-
Tata Money Market fund- Growth	-	-	94,974	22.69	-	-
ICICI Prudential-Growth	-	-	10,23,387	22.83	-	-
SBI Premier Liquid Fund - Growth	-	-	95,324	22.69	-	-
J M High Liquidity fund- DIR - Growth	112,35,753	50.03	-	-	-	-
Invesco Liquid Fund - DIR - Growth	2,98,914	66.94	-	-	-	-
Religare Invesco India Liquid Fund- Growth	-	-	-	-	-	-
<b>Total (B)</b>		<b>116.97</b>		<b>91.24</b>		<b>181.34</b>
<b>Aggregate carrying value of unquoted investments (A+B)</b>		<b>120.37</b>		<b>94.64</b>		<b>184.74</b>

PK HS

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
All amounts are in Rs. crores unless otherwise stated

**6. Income tax assets**  
**Non-Current**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance tax including tax deducted at source	6.94	9.48	8.66
<b>Total</b>	<b>6.94</b>	<b>9.48</b>	<b>8.66</b>

**7 .Other Assets**

Unsecured, considered good, unless otherwise stated

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Non-Current</b>			
Capital advances			
(a) Unsecured, considered good	0.16	4.23	7.96
(b) Doubtful	0.50	0.50	0.50
	0.66	4.73	8.46
Less: Allowance for doubtful debts	-0.50	-0.50	-0.50
<b>Total</b>	<b>0.16</b>	<b>4.23</b>	<b>7.96</b>
Prepaid Rentals on Leasehold Land on operating lease	11.85	12.22	12.56
Security Deposits	1.68	2.82	1.68
Balance with Government authorities			
Revenue custom deposit	116.49	116.05	116.12
Customs duty paid under protest	52.45	52.45	52.45
Service tax refund receivable	2.83	2.83	2.83
<b>Total</b>	<b>185.46</b>	<b>190.60</b>	<b>193.60</b>
<b>Current</b>			
Prepaid Rentals on Leasehold Land on operating lease	0.38	0.38	0.38
Prepaid Expenses	0.02	-	44.00
Other Advances	0.81	0.73	0.66
<b>Total</b>	<b>1.21</b>	<b>1.11</b>	<b>45.04</b>

**8. Inventories**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Stores and Spare-parts	72.85	59.18	39.07
Loose Tools	0.35	0.28	0.17
Fuel			
Coal	278.77	145.34	211.30
Coal - in- Transit	153.56	113.60	133.95
Oil	4.76	3.90	9.74
<b>Total</b>	<b>510.29</b>	<b>322.30</b>	<b>394.23</b>

Note: The method of valuation of inventories has been stated in Note 2.13

pd. KS

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
**All amounts are in Rs. crores unless otherwise stated**

**9. Trade Receivables**

**Current**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Unsecured, considered good	464.30	514.75	601.65
(b) Doubtful	87.28	87.28	-
	551.58	602.03	601.65
Less: Allowance for doubtful debts	(87.28)	(87.28)	-
<b>Total</b>	<b>464.30</b>	<b>514.75</b>	<b>601.65</b>

Notes:-

- 1) The average credit period is 30 days. No interest is charged on trade receivables for first 30 days from the date of receipt of invoice by customer. Thereafter, interest is charged at rates prescribed by Power Purchase agreement (PPA) on the outstanding balance.
- 2) Company supplies power to various state distribution Companies viz. procurers as per designated capacity in terms of Power Purchase agreement (PPA) signed between Company and procurers. These procurers forms 100% of debtors of the Company. While the Company sells only to limited customers, considering that the procurers are state distribution companies, credit risk is minimal.
- 3) Company supplies power only to limited customers which are State distribution companies and hence assesses expected credit allowance on case to case basis.

4) Age of receivables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within credit period	464.30	514.75	601.65
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days past due	87.28	87.28	-
	<b>551.58</b>	<b>602.03</b>	<b>601.65</b>

5) Movement in the expected credit loss allowance

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance at the beginning of the year	87.28	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	87.28	-
Balance at the end of the year	<b>87.28</b>	<b>87.28</b>	<b>-</b>

pd. HC

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
All amounts are in Rs. crores unless otherwise stated

**10(i) Cash and Cash Equivalents**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
- In current accounts (Refer note (1) below)	64.06	227.01	298.42
- In deposits accounts (Refer note (2) below)	-	-	8.93
Cash on hand	*	*	0.01
<b>Cash and Cash Equivalents as per Cash flow statement</b>	<b>64.06</b>	<b>227.01</b>	<b>307.36</b>

\* Figures below Rs. 50,000 are denoted by '\*'.

**Notes:**

- (1) Including Rs. 0.14 crores (31st March 2016: Rs. 0.80 crores, 1st April, 2015: Rs.0.76 crores,) in foreign currency.  
(2) Balances in deposit accounts have an original maturity of less than 3 months.

**Disclosure in terms of G.S.R.307(E) read with G.S.R.308(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs, Government of India.**

Specified Bank Notes held and transacted during the period 8th November, 2016 to 30th December, 2016

	(All Amounts in Rupees)		
	Specified Bank notes	Other denomination	Total Amount
Closing cash in hand as on 8th November, 2016	3,000	5,066	8,066
Add : Permitted receipts	-	76,340	76,340
Less : Permitted payments	-	(61,290)	(61,290)
Less : Amount deposited in Banks	(3,000)	-	(3,000)
Closing cash in hand as on 30th December, 2016	-	<b>20,116</b>	<b>20,116</b>

**10(ii) Other bank balances**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
- Margin money deposit account (Refer note (1) below)	47.00	-	-
<b>Total</b>	<b>47.00</b>	<b>-</b>	<b>-</b>

**Notes:**

- (1) Balances in margin money have an original maturity of less than 3 months.

**11. Other financial assets**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Current</b>			
Security Deposits	0.01	0.01	0.01
Option contracts-not designated in hedge accounting relationship	13.13	60.36	86.25
Forward contracts-not designated in hedge accounting relationship	*	20.06	24.42
Claim under change in law (Net)#	388.91	41.41	-
Sundry Debtors-Fly Ash	2.22	0.53	-
<b>Total</b>	<b>404.27</b>	<b>122.37</b>	<b>110.68</b>

# Claim under change in law (Net) represents compensation receivable from the procurers consequent to change in law as per the provisions of power purchase agreement between the Company and the Procurers.

\* Figures below Rs. 50,000 are denoted by '\*'

pd HK

## 12. Equity Share Capital

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Authorised Share Capital</b> 7,000,000,000 fully paid equity shares of Rs. 10 each	7,000.00	7,000.00	7,000.00
<b>Issued and Subscribed Share capital</b> 6,083,420,000 fully paid equity shares of Rs 10 each (31st March, 2016: 6,030,420,000; as at 1st April, 2015: 5,980,570,000).	6,083.42	6,030.42	5,980.57
<b>Total</b>	<b>6,083.42</b>	<b>6,030.42</b>	<b>5,980.57</b>

## 12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	Number of shares	Amount Rs crore
Balance as at 1st April, 2015	5,980,570,000	5,980.57
Issue of equity shares of Rs. 10 fully paid (at par) during the year	49,850,000	49.85
<b>Balance as at 31st March, 2016</b>	<b>6,030,420,000</b>	<b>6,030.42</b>
Issue of equity shares of Rs. 10 each fully paid (at par) during the year on right basis	53,000,000	53.00
<b>Balance as at 31st March, 2017</b>	<b>6,083,420,000</b>	<b>6,083.42</b>

## 12.2 Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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. Clause 20.3 (h) of the Trust and Retention Agreement (TRA) entered by the Company with the Security Trustee requires the setting aside and maintaining minimum funds balance in the bank accounts for making payments in the nature of statutory dues, operation and maintenance cost, financing fees, debt servicing, any major maintenance expenditure due and disputed dues before declaring dividend to the equity shareholders.

## 12.3 Details of shares held by each shareholder holding more than 5% shares

Class of Shares / Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs.10/- each fully paid The Tata Power Company Limited	<u>6,083,420,000</u>	100%	<u>6,030,420,000</u>	100%	<u>5,980,570,000</u>	100%

pd, HK

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

13. Other equity

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deemed capital contribution (refer note 13.1 below)	592.85	413.44	67.33
Retained Earnings	(7,049.46)	(6,201.02)	(7,637.83)
<b>Total</b>	<b>(6,456.61)</b>	<b>(5,787.58)</b>	<b>(7,570.50)</b>

13.1 Deemed capital contribution

	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	413.44	67.33
Contribution during the year	179.41	346.11
<b>Closing balance</b>	<b>592.85</b>	<b>413.44</b>

Note:- The Tata Power Company Ltd., Holding Company, has waived the interest on subordinated loans and guarantee commission charged by it. The said waiver has been considered as deemed capital contribution by the Holding company in accordance with Ind AS.

13.2 Retained Earnings

	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	(6,201.02)	(7,637.83)
Profit/(loss) for the year	(849.74)	1,437.15
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	1.30	(0.34)
<b>Balance at the end of the year</b>	<b>(7,049.46)</b>	<b>(6,201.02)</b>

14 Unsecured perpetual securities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured perpetual securities	4,459.88	-	-

14.1 Movement of unsecured perpetual securities

	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	-	-
Add: Issued during the period (Refer note below)	4,459.88	-
<b>Total</b>	<b>4,459.88</b>	<b>-</b>

Note:-

During the year, the Company converted Rs 3,484.29 crore of unsecured subordinated debt from The Tata Power Company Limited (Holding Company) and interest thereon of Rs.311.59 crores to unsecured perpetual securities. Further, during the year, the Holding Company invested an additional Rs.664 crore in unsecured perpetual securities. The perpetual securities has no maturity/redemption terms and is repayable only at the option of the Company. The interest on the perpetual securities is non-cumulative in nature. The distribution on these securities shall be based on the availability of profits and at the rate at which dividend will be declared by the Company on equity shares for the relevant financial year. If no dividend is declared by the Company on equity shares in a given financial year, no interest shall be accrued, due or payable by the Company to the Holding Company for such financial year. As these securities are perpetual in nature and ranked senior only to the share capital of the Company and do not have any redemption obligation, these are considered to be in the nature of equity instruments.

*Handwritten signature*

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

## 15. Non-current borrowings

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Unsecured (at amortised cost)</b>			
Loans from Holding Company (Refer note 26.10)	-	2,219.79	1,908.46
<b>Total</b>	<b>-</b>	<b>2,219.79</b>	<b>1,908.46</b>

## 16. Other Financial Liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Non Current</b>			
Interest accrued but not due on borrowings from Holding Company	-	196.46	196.46
	<b>-</b>	<b>196.46</b>	<b>196.46</b>
<b>Current</b>			
a) Interest accrued and due on borrowings - Banks	9.46	-	19.53
b) Interest accrued but not due on borrowings			
- Banks and Financial Institutions	33.72	33.09	27.96
- Holding Company	-	115.13	115.13
- Others	8.96	8.14	3.16
c) Others:			
(i) Payables for purchase of fixed assets	47.43	40.57	105.62
(ii) Interest rate swap contracts-not designated in hedge accounting relationship	474.05	814.11	810.30
(iii) Forward contracts-not designated in hedge accounting relationship	240.09	62.28	49.05
(iv) Option contracts-not designated in hedge accounting relationship	60.81	17.69	31.52
(v) Claim under change in law (Net)	-	-	80.10
<b>Total</b>	<b>874.52</b>	<b>1,091.01</b>	<b>1,242.37</b>

## 17. Provisions

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Employee Benefits	17.68	16.88	13.82
Other Provisions	-	-	0.62
<b>Total</b>	<b>17.68</b>	<b>16.88</b>	<b>14.44</b>
Non-Current	10.40	15.85	12.97
Current	7.28	1.03	1.47
<b>Total</b>	<b>17.68</b>	<b>16.88</b>	<b>14.44</b>

## 18. Other liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Non-current</b>			
Deferred revenue arising from Government grant (Refer Note I below)	1,771.15	1,821.89	1,872.61
	<b>1,771.15</b>	<b>1,821.89</b>	<b>1,872.61</b>
<b>Current</b>			
Statutory remittances	4.13	5.13	2.64
Amount due to customers	42.05	0.22	-
Other Liabilities	0.14	0.11	-
Deferred revenue arising from Government grant	50.72	50.72	50.72
<b>Total</b>	<b>97.04</b>	<b>56.18</b>	<b>53.36</b>

- I In accordance with UMPP policy guidelines (and appropriate notifications of excise and customs), machinery, instruments, apparatus and appliances etc. required for setting up of ultra-mega/mega power projects were exempt from payment of customs and excise duty. The Company has assessed that it has availed exemption from payment of Custom and Excise duty aggregating to Rs. 2,029 crores in respect of property, plant and equipment used in setting up of UMPP.

The exemption from payment of excise and customs duty represents transfer of resources by the Government and therefore in scope of Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance.

In accordance with the Standard, the Company (as at the transition date) has recognized a deferred income of Rs. 1,923.33 crores (includes Rs.50.72 crores shown as current liability) net of amortization till 31st March 2015 of Rs.105.67 crores with a corresponding debit to property, plant and equipment. The deferred income will be amortized over 38 years being the estimated remaining useful life of property, plant and equipment which will be offset by incremental depreciation consequent to increase in carrying value of property, plant and equipment.

pd. H

Coastal Gujarat Power Limited

Notes forming part of the financial statements  
All amounts are in Rs. crores unless otherwise stated

19. Current Borrowings

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Secured</b>			
a) Loans From banks			
Foreign currency loans [refer note II below and note 26.2(e)]	2,765.52	3,139.02	3,257.46
Indian rupee loans [refer note I below and note 26.2(e)]	2,830.20	2,844.49	2,429.50
b) Loans from Others			
Foreign currency loans [refer note II below and note 26.2(e)]	3,168.00	3,563.47	3,655.25
Indian rupee loans [refer note I below and note 26.2(e)]	995.38	1,000.41	1,614.73
<b>Unsecured</b>			
a) Loans from banks [refer note III below]	400.00	250.00	650.00
b) Loans from Holding Company (Refer Note 26.10)	-	1,264.50	814.50
c) Other loans- Buyers Credit	36.01	-	818.15
<b>Total</b>	<b>10,195.11</b>	<b>12,061.89</b>	<b>13,239.59</b>

Details of original terms of repayment for the borrowings:

I) INR Loans				Rupees In Crores		
Year of Repayment	Terms of repayment	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015		
FY 2015-16	4 quarterly installments	-	-	240.01		
FY 2016-17	4 quarterly installments	-	19.32	240.01		
FY 2017-18	4 quarterly installments	19.32	19.32	240.01		
FY 2018-19	4 quarterly installments	38.64	38.64	240.01		
FY 2019-20	4 quarterly installments	77.28	77.28	240.01		
FY 2020-21	4 quarterly installments	77.28	77.28	240.01		
FY 2021-22	4 quarterly installments	77.28	77.28	1,620.10		
FY 2022-23	4 quarterly installments	115.93	115.93	984.07		
FY 2023-24	4 quarterly installments	154.57	154.57	-		
FY 2024-25	4 quarterly installments	193.21	193.21	-		
FY 2025-26	4 quarterly installments	212.53	212.53	-		
FY 2026-27	4 quarterly installments	231.85	231.85	-		
FY 2027-28	4 quarterly installments	309.14	309.14	-		
FY 2028-29	4 quarterly installments	386.42	386.42	-		
FY 2029-30	4 quarterly installments	425.06	425.06	-		
FY 2030-31	4 quarterly installments	463.71	463.71	-		
FY 2031-32	4 quarterly installments	463.71	463.71	-		
FY 2032-33	4 quarterly installments	579.63	579.65	-		
<b>Total</b>		<b>3,825.58</b>	<b>3,844.90</b>	<b>4,044.23</b>		
<b>INR Loans From:</b>						
Banks		2,830.20	2,844.49	2,429.50		
Financial Institutions		995.38	1,000.41	1,614.73		
<b>Total</b>		<b>3,825.58</b>	<b>3,844.90</b>	<b>4,044.23</b>		

II) Foreign currency loans

Year of Repayment	Terms of repayment	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		@ closing rate- Rs.64.85/USD		@ closing rate- Rs.66.25/USD		@ closing rate- Rs.62.50/USD	
		USD Millions	Rupees Crores	USD Millions	Rupees Crores	USD Millions	Rupees Crores
FY 2015-16	2 half-yearly installments	-	-	-	-	94.34	589.63
FY 2016-17	2 half-yearly installments	-	-	96.77	641.10	96.77	604.81
FY 2017-18	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2018-19	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2019-20	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2020-21	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2021-22	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2022-23	2 half-yearly installments	96.77	627.57	96.77	641.10	96.77	604.81
FY 2023-24	2 half-yearly installments	96.72	627.21	96.72	640.73	96.72	604.46
FY 2024-25	2 half-yearly installments	90.99	590.04	90.99	602.75	90.99	568.63
FY 2025-26	2 half-yearly installments	90.99	590.04	90.99	602.75	90.99	568.63
FY 2026-27	2 half-yearly installments	32.23	209.02	32.23	213.52	32.23	201.44
FY 2027-28	2 half-yearly installments	23.40	151.79	23.40	155.04	23.40	146.25
<b>Total</b>		<b>914.96</b>	<b>5,933.52</b>	<b>1,011.73</b>	<b>6,702.49</b>	<b>1,106.08</b>	<b>6,912.71</b>
<b>Foreign currency Loans From:</b>							
Banks		426.45	2,765.52	473.83	3,139.02	521.22	3,257.46
Financial Institutions		488.51	3,168.00	537.90	3,563.47	584.86	3,655.25
<b>Total</b>		<b>914.96</b>	<b>5,933.52</b>	<b>1,011.73</b>	<b>6,702.49</b>	<b>1,106.08</b>	<b>6,912.71</b>

III) Other unsecured loan

				Rupees In Crores		
From	Terms of Repayment	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015		
From Banks	Repayable on demand	400.00	250.00	650.00		
From Holding Company	Not applicable	-	1,264.50	814.50		
Others - Buyer's credit	Repayable on demand	36.01	-	818.15		
<b>Total</b>		<b>436.01</b>	<b>1,514.50</b>	<b>2,282.65</b>		
<b>Total as disclosed in Note 19</b>		<b>10,195.11</b>	<b>12,061.89</b>	<b>13,239.59</b>		

20. Trade Payables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(I) Total outstanding dues of micro enterprises and small enterprises (Refer Note 26.5)	0.59	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,411.93	1,871.52	924.68
<b>Total</b>	<b>2,412.52</b>	<b>1,871.52</b>	<b>924.68</b>

pd HK

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
**All amounts are in Rs. crores unless otherwise stated**

**21. Revenue from Operations**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Revenue from Power Supply	5,678.71	5,794.03
Income to be adjusted in future tariff determination (net)	305.73	121.53
	<u>5,984.44</u>	<u>5,915.56</u>
(b) Other Operating Income		
(i) Sale of Scrap	1.60	4.95
(ii) Sale of Fly Ash	5.61	2.57
(iii) Insurance claim received	4.70	-
(iv) Rental Income	0.49	0.35
(v) Income in respect of service rendered	6.06	1.80
(vi) Amortisation of Government Grant	50.72	50.72
(vii) Liquidated Damages	0.20	2.15
(viii) Liabilities Written Back	1.03	0.17
<b>Total</b>	<u><b>6,054.85</b></u>	<u><b>5,978.27</b></u>

**22. Other Income**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>a) Interest Income</b>		
<b>(i) On Financial Assets carried at Amortised Cost</b>		
Interest income from bank deposit	3.37	4.06
Interest on loans and advances	0.04	0.02
Interest Income from Overdue Trade Receivables	0.74	3.59
	<u>4.15</u>	<u>7.67</u>
<b>(ii) Others</b>		
Interest Income from Income-Tax Refund	0.61	-
<b>b) Other non-operating income</b>		
Guarantee commission from Subsidiary	0.38	0.37
Miscellaneous income	0.31	0.71
	<u>0.69</u>	<u>1.08</u>
<b>c) Other gains and losses</b>		
Gain /(loss) on disposal of PPE	(0.08)	(0.04)
Net gain/(loss) on foreign currency transactions and translation (other than considered as finance cost)	(229.10)	(591.69)
Gain on sale of mutual fund investment	11.73	19.34
	<u>(217.45)</u>	<u>(572.39)</u>
<b>Total</b>	<u><b>(212.00)</b></u>	<u><b>(563.64)</b></u>

*per HK*

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

23. Employee Benefit expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and Wages	45.62	42.38
Contribution to provident and other funds (Refer Note - 26.7)	2.02	1.94
Retiring gratuities	4.59	1.05
Leave Encashment Scheme	(1.14)	2.10
Staff Welfare expenses	4.81	5.63
<b>Total</b>	<b>55.90</b>	<b>53.10</b>

24. Finance Costs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) <b>Interest costs :</b>		
Interest on loans (other than those from related parties)	625.12	681.77
Interest on loans from related parties	179.41	328.56
Other Interest expense- trade payable	0.38	12.17
Other Interest expense- under IT act	0.01	0.35
	<u>804.92</u>	<u>1022.85</u>
(b) <b>Other Borrowing Cost</b>		
Loss /(Gain) arising on Interest Rate Swap derivative contracts - not designated in hedge accounting relationship	(146.55)	221.25
Others	16.71	47.57
	<u>(129.84)</u>	<u>268.82</u>
<b>Total</b>	<b>675.08</b>	<b>1,291.67</b>

25. Other expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of stores and spare parts	19.28	15.30
Cost of services	20.87	23.03
Power consumption	-	1.59
Unscheduled Interchange Charges	26.80	1.22
Rent including lease rentals	1.90	1.52
Repairs and maintenance - Buildings	15.10	10.57
Repairs and maintenance - Machinery	70.35	79.14
Repairs and maintenance - Others	0.46	2.44
Dredging Charges	30.45	7.50
Insurance	28.22	43.12
Rates and taxes	19.56	19.52
Travelling and conveyance	4.56	4.33
Freight and forwarding		
- Port handling charges	32.31	52.55
- Compensation for ship deferment	143.29	121.05
Community Welfare Expenses	14.41	14.29
Consultancy fees	14.32	10.21
Payments to auditors	1.36	1.35
Allowance for doubtful trade and other receivables, loans and advances (net)	-	87.28
Director's sitting fees	0.38	0.14
Miscellaneous expenses	9.00	6.42
<b>Total</b>	<b>452.62</b>	<b>502.57</b>

pd. HK

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 26 Additional information to the financial statements

**26.1** The Company has determined its operating segment as generation and selling of power based on the information reported to the chief operating decision maker (CODM) in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

#### 26.2 Borrowings (Refer Note 15 and 19)

- a) The term loans from banks and other parties (referred "Project Lenders") are secured by a charge on all present and future movable and immovable properties (including a major portion of the project land).
- b) The Company has hedging facilities from State Bank of India (SBI), ICICI Bank Limited (ICICI), The Hongkong and Shanghai Banking Corporation Limited (HSBC) and BNP Paribas (BNP). As per the Hedging Agreements and Financing Documents, the Company has created security in favor of Hedge Providers, on movable and immovable properties of the Company on pari-passu basis along with the Project Lenders.
- c) As at 31<sup>st</sup> March, 2017 the Company has created security on land of 1,193 hectare (31<sup>st</sup> March, 2016 1,134 hectares, as at 1<sup>st</sup> April, 2015:1,029 hectares) (721 hectare of Government land + 187 hectare of Private land +236 hectare of outfall channel+ Township land 49 hectare) and has taken waiver for the security creation on 130 hectares of forest land from the Project lenders. The balance project pending to be mortgaged is 40 hectares, of which the company has sought waiver of security creation on 6 hectares and extension of timelines for creation of security on 34 hectares due to pending government approvals. The waivers are under consideration of the Project lenders.
- d) As per the Financing Agreements, the Holding Company has entered into a Sponsor Support Agreement with the lenders and the Company whereby it has undertaken to provide support by way of base equity contribution to the extent of 25 percent of the 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.
- e) As per the 9<sup>th</sup> Waiver and Sixth Amendment Agreement dated 12th April 2013 with the Project Lenders, the period for compliance of Coal Supply and Transportation Agreement Completion Date (CSTACD) and the compliance of the financial covenants with respect to maintenance of certain ratios was extended up to 30th June, 2013.

In terms of the conditions of the above Financing Agreements, as on 31<sup>st</sup> March, 2017 a total sum of Rs. 5,764.00 crores (31st March, 2016: Rs. 5,047.00 crores, as at 1<sup>st</sup> April, 2015: Rs.4,235.81 crores) was received from the Holding Company(Rs 5100 crores as sub-debt and Rs 664 crores as unsecured perpetual securities) which includes Rs. 1,615.71 crores (31<sup>st</sup> March, 2016: Rs. 1,562.71 crores, as at 1<sup>st</sup> April, 2015: 1,512.85) converted from sub-debt into equity, a sub-debt of Rs.3,484.29 crores (31<sup>st</sup> March, 2016: Rs. Nil) converted from sub-debt into unsecured perpetual securities as on 1<sup>st</sup> October, 2016 and fresh issue of Rs 664 crore towards unsecured perpetual securities as on 31<sup>st</sup> January, 2017. Further, during the year, interest accrued but not due from holding company on sub-debt of Rs 311.60 crore has been converted into unsecured perpetual securities as on 31<sup>st</sup> March, 2017. Notional interest on the interest free subordinate loans taken from the holding company has been accounted and credited to deemed equity for the period up to 30<sup>th</sup> September 2016.

The Company has also received a sum of Rs. 100 crores as subordinated loan from Deutsche Bank and Rs 300 crores IndusInd Bank. The repayment of the subordinated loans of Rs. 100 crores from Deutsche Bank and Rs 300 crores from IndusInd Bank shall be subject to the provisions of Subordination and Hypothecation Agreements signed with the Security Trustee, as required under Financing Agreements. During the waiver period upto 30th June 2013, the Company was required to maintain Debt to Equity Ratio of 75:25 for meeting financial covenants and Debt-to-Equity Ratio of 70:30 for availing the disbursements (capped at 83.33 percent of all Senior Loans). The Company has requested the Lenders for extension of time to comply with the financial

ped. 

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

covenants and maintenance of ratios which is pending. Accordingly, the non-current portion of loans from lenders outstanding as at 31<sup>st</sup> March, 2017 aggregating to Rs. 9,112.21 crores (31<sup>st</sup> March, 2016 Rs. 9,886.97 crores; 1st April, 2015 Rs. 10,127.30 crores) has been classified under current financial liabilities as at the respective period end in Note-19.

### 26.3(a) Revenue recognition arising out of CERC/ APTEL/ Supreme Court order:

The Company 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.

CERC rejected the claims made by the Company 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 Company 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 Company 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 Honorable 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 Company'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 Company 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 financial statements for the year ended 31st March, 2017.

### 26.3(b) Impairment of Assets:

In terms of the 25 year Power Purchase Agreement (PPA), the Company is entitled to charge 45 percent of escalation of the cost of coal from the procurers of its power.

The recoverable amount of the relevant assets has been determined on the basis of their value in use. For estimating the Mundra UMPP value in use it is necessary to project the future cash flow of Mundra UMPP 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 Mundra UMPP value in use will continue to be monitored on a periodic basis by the Management.

As stated in Note no. 26.1 of the Notes forming part of the financial statements, the Company has only a single reportable segment.

**26.3(c)** The Company has incurred substantial loss during the current year and the current liabilities are substantially in excess of the current assets as at 31st March 2017. Certain covenants governing the loans borrowed for construction of the project have not been met. Further, as stated in Note 26.2(e), the Company had received waiver from compliance of the covenants upto 30th June, 2013 and the Company has also sought revision in certain terms of the financing agreements and extending of existing waivers. Considering the Sponsor Support Agreement signed by the Company with the lenders and with the Holding Company, wherein the Holding Company has agreed to provide amongst other things funding of operational deficit of the Company, the financial statements have been prepared on a going concern basis.

RJ

**Coastal Gujarat Power Limited**

Notes forming part of the Financial Statements

**26.4 Contingent liabilities and commitments (to the extent not provided for)**

**(i) Contingent Liabilities:**

**Rupees crores**

	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 1<sup>st</sup> April, 2015</b>
a) Corporate Guarantee issued on behalf of wholly owned subsidiary – Energy Eastern Pte. Ltd. of US\$ 10 million (Previous Year US\$ 10 million)	64.85	66.25	62.50
b) Claims of service tax demands against processing fees paid to IFC and ADB for processing and disbursement of Loans.	Nil	27.16	17.71
c) i) Taxation matters relating to issues of deductibility and taxability of certain items of income and expenditure which is disputed by the Company and provision is not made.	102.42	102.42	102.15
ii) Interest and penalty on above amount	Not ascertainable	Not ascertainable	Not ascertainable
d) Green cess disputed by the Company relating to issue of applicability.	233.53	178.61	126.36
e) Custom duty claims arising from issues related to classification disputed by the Company (Payment made under protest Rs. 52.45 crores disclosed under Note 7- Other non-current assets)	76.32	76.32	76.32
f) Applicability of Stamp Duty on import of coal	17.31	13.04	9.63
g) Amount payable to HUDCO under financing agreement for breach of financial covenants, delay in creation of security, commitment charges, prepayment penalty and penal interest	30.01*	Nil	Nil
*Excluding Service Tax			
Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums /authorities.			

**(ii) Capital Commitments**

**Rupees crores**

	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 1<sup>st</sup> April, 2015</b>
a. Estimated amount of Capital contracts (including intangible assets) remaining to be executed on capital account (net of capital advance) and not provided.	44.80	41.67	102.01

pd H

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### b. Other Commitments:

In terms of the Port Service Agreement entered into by the Company and valid up to 31st March, 2040, the Company is required to pay fixed handling charges amounting to Rs. 138 crores 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 amounts outstanding shall be payable by the Company.

### 26.5 Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
	Rupees Crores		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.59	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
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 MSME vendors on account of retention money have not been considered for the purpose of interest calculation.			

### 26.6 Payment to Auditors

	Rupees crores	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
As auditors - statutory audit	0.53	0.53
For tax audit	0.08	0.07
For taxation matters	0.29	0.43
For other services	0.29	0.15
Reimbursement of expenses	*	*
Service tax on above	0.17	0.17
<b>Total payments to the auditors</b>	<b>1.36</b>	<b>1.35</b>

\* Figures below Rs. 50,000 are denoted by '\*'.  


## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 26.7 Employee Benefit Plans

#### 1. Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. The employees of the Company are member of Employee Provident Fund which manages retirement benefit plan operated by the Central Government. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognized in Statement of Profit & Loss is Rs. 2.02 crores (for the year ended 31st March, 2016 Rs. 1.94 crores) represents contribution payable to the Employee Provident Fund. As at 31st March, 2017, contribution of Rs. 0.39 crore (as at 31st March, 2016 Rs. 0.38) due in respect of FY 2016-17 (FY 2015-16) is paid in the subsequent reporting periods.

#### 2. Defined benefit plans

2.1 In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Benefits payable to eligible employees of the Company with respect of these benefits are accounted for on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date.

These plans typically expose the Company to actuarial risk such as: Demographic risk, interest rate risk, and Salary Inflation risk:

**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 obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation

In respect of the present value of defined benefit obligations was carried out at 31st March, 2017 by KP Actuaries and Consultants.

2.2 The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>As at 31<sup>st</sup> March, 2017</u>	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 1<sup>st</sup> April, 2015</u>
Discount rate(s)	7.20%	8.00%	7.80%
Expected rate(s) of salary increase	7.50%	11.00%	11.00%

PK HK



## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

c. Movements in the present value of the defined benefit obligations are as follows (In Rs. Crores):

	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Opening defined benefit obligations	7.88	6.66
Current service cost	0.52	0.53
Interest Cost	0.58	0.52
Re measurement (gains)/losses		
Actuarial (Gains)/losses arising from changes in demographic assumptions	(0.54)	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(4.35)	(0.21)
Actuarial (Gains)/losses arising from experience assumptions	3.59	0.55
Past Service Cost , including losses /(gains) on curtailment	3.49	Nil
Liabilities extinguished as settlements		
Liabilities assumed in a business combination		
Exchange differences on foreign plans		
Benefits paid	(0.23)	(0.07)
Others (describe)=Acquisitions (credit)/ cost	(0.54)	(0.09)
<b>Closing defined benefit obligation</b>	<b>10.40</b>	<b>7.89</b>

### 2.4 Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.88)	0.96	(0.90)	0.99
Salary/Pension growth rate (0.5% movement)	0.96	(0.88)	0.71	(0.68)

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.

pd HK

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 2.5 The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Amount in crores	
	Unfunded	
	31st March, 2017	31st March, 2016
Within 1 year	0.32	0.21
Between 1 - 2 years	0.44	0.28
Between 2 - 3 years	1.38	0.23
Between 3 - 4 years	1.44	1.75
Between 4 - 5 years	0.41	1.1
Beyond 5 years	4.12	2.15

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.

pd. RK

## 26.8 Financial Instruments

## 1. Capital Management &amp; Gearing Ratio

The Capital structure of the company consist of net debt (borrowings as detailed in notes below) and total equity of the Company.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt (i)	10,195.11	14,281.68	15,148.05
Cash and Bank balances	111.06	227.01	307.36
<b>Net debt</b>	<b>10,084.05</b>	<b>14,054.67</b>	<b>14,840.69</b>
<b>Total Equity</b>	<b>4,086.69</b>	<b>242.84</b>	<b>(1,589.93)</b>
Net debt to equity ratio (%)	247%	5788%	-933%

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations), as described in the notes to accounts.

## 2. 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 exchange 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:

## 2.1 Market risk

Market risk is the risk that relates to changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) and 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.

## 2.2 Foreign currency risk management

The Company is exposed to US\$ denominated foreign exchange risk towards import of coal primarily from Indonesia and borrowings used to finance the project. To mitigate the foreign currency risk, the Company has constituted Foreign Exchange Risk Management Committee (FRMC) and has implemented a Foreign Exchange Risk Management Policy. As per the Policy, the FRMC meets at regular intervals and foreign exchange risk is hedged based on the strategy approved by the FRMC. Accordingly the Company has hedged its debt servicing exposure for next five years on rolling basis and its coal exposures in full.

The Company, in order to mitigate the exchange rate risk, has entered into forward and option contracts in accordance with FERM policy. The USD/INR exchange rate has changed substantially in recent years and is subject to future volatility. The results of the Company's operations are affected due to changes in exchange rates.

The following table analyzes foreign currency assets and liabilities on balance sheet dates:

	In Million					
	Liabilities			Assets		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In USD	8,228.35	8,419.25	7,652.83	1.69	3.09	0.43
In EURO	0.23	0.12	1.71	-	-	-
In GBP	*	*	*	-	-	-
In JPY	0.65	1.86	4.24	-	-	-

\* Figures below 50,000 are denoted by '\*' in respective currencies

## (a) Foreign currency sensitivity analysis

For the year ended March 31, 2017 and March 31, 2016, every 1 rupee depreciation / appreciation in the exchange rate between the Indian Rupee and U.S. Dollar, would have affected the Company's incremental operating margins as shown below.

Sensitivity analysis is computed based on the changes in income and expenditure in foreign currency upon conversion in the functional currency, due to exchange rate fluctuation between previous reporting period and the current reporting period.

	As of 31st March 2017		As of 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 hedges	+Rs.68.6 crore	-Rs.68.98 crore	+Rs.58.51 crore	-Rs.57.18 crore
On Foreign currency assets/liability	-Rs.125.70 crore	+Rs.125.70 crore	-Rs.127.09 crore	+Rs.127.09 crore

Note: +/- Gain/Loss

## (b) Derivative financial instruments

The Company enters in to 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 market place. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Outstanding Contracts	Amount in crores					
	As of 31st March 2017		As of 31st March 2016		As of 31st March 2015	
	Nominal Value	Fair Value	Nominal Value	Fair Value	Nominal Value	Fair Value
<b>Other Derivatives</b>						
Forward contract						
In USD	3,783.04	(240.09)	2,610.19	(42.35)	2,751.35	(24.60)
In EURO	-	-	0.12	0.01	1.71	(0.02)
In JPY	-	-	1.82	0.13	4.24	(0.01)
Option contract						
In USD	2,781.42	(47.68)	3,489.76	42.67	3,248.75	54.73

pd HC

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

2.3 Interest rate risk

- (a) Interest rate risk is the risk that relates to the fair value or future cash flows of a financial instrument which fluctuate because of changes in market interest rates. The capital expenditure of the company is financed by loans, the shareholders' fund and internal proceeds. The interest bearing loans of the Company comprises of both fixed and floating rate.

Interest rate sensitivity:

	As at 31st March, 2017 10 bp increase in swap rates	As at 31st March, 2016 10 bp decrease in swap rates	As at 31st March, 2016 10 bp increase in swap rates	As at 31st March, 2016 10 bp decrease in swap rates
Interest (cost) / saving on Foreign Currency loan (Loss) / Gain effect on profit before tax	(5.97) (5.97)	5.97 5.97	(6.70) (6.70)	6.70 6.70

Note: The company has entered into Interest rate swap/cap to hedge the interest rate fluctuation on foreign currency loan as mentioned in para 2.3(b)

	50 bps increase in Bank Base rates	50 bps decrease in Bank Base rates	50 bps increase in Bank Base rates	50 bps decrease in Bank Base rates
Interest (cost) / saving on Indian Rupees loan (Loss) / Gain effect on profit before tax	(21.13) (21.13)	21.13 21.13	(20.47) (20.47)	20.47 20.47

(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. Because they trade over the counter (OTC), the contracts are between two or more parties according to their desired specifications and can be customized in many different ways. Swaps are often utilized if a company can borrow money easily at one type of interest rate but prefers a different type.

Outstanding receive floating pay fixed contracts

	Average contracted fixed interest rate			Nominal amounts			Fair value assets (liabilities)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	%	%	%	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
Less than 1 year	-	-	-	-	-	-	(4.35)	-	-
1 to 2 years	3.75%	-	-	98.43	-	-	(40.04)	(83.10)	(89.90)
2 to 5 years	2.07%	2.33%	2.33%	1,596.17	1,236.23	1,289.01	(429.66)	(731.01)	(720.40)
5 years +	4.43%	4.07%	4.07%	4,086.14	5,316.60	5,481.52	-	-	-

2.4 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:

	Rs in crores		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivable	464.30	514.75	601.65
<b>Total</b>	<b>464.30</b>	<b>514.75</b>	<b>601.65</b>

All of the above are due from the State distribution Companies i.e. procureres under normal course of the business and as such the Company believes the exposure to credit risk to be minimal.

2.5 Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

Expected maturity for financial liabilities

	Upto 1 year	1 - 5 year	5+ years	Total	Carrying Amount
<b>31st March, 2017</b>					
Borrowings	1,082.90	2,780.79	6,331.42	10,195.11	10,195.11
Interest payable on above borrowings	556.73	1,981.28	2,551.74	5,089.75	-
Trade Payables	2,412.52	-	-	2,412.52	2,412.52
Other financial liabilities	874.52	-	-	874.52	874.52
<b>31st March, 2016</b>					
Borrowings	2,174.92	4,996.71	7,110.05	14,281.68	14,281.68
Interest payable on above borrowings	560.24	2,006.38	2,973.08	5,539.70	-
Trade Payables	1,871.52	-	-	1,871.52	1,871.52
Other financial liabilities	1,091.01	196.46	-	1,287.47	1,287.47
<b>1st April, 2015</b>					
Borrowings	3,112.30	5,287.75	6,748.00	15,148.05	15,148.05
Interest payable on above borrowings	644.09	2,136.17	862.15	3,642.41	-
Trade Payables	924.68	-	-	924.68	924.68
Other financial liabilities	1,242.37	196.46	-	1,438.83	1,438.83

Red HK

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

2.6 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 is as follows:

**Financial assets and liabilities**

The carrying value of financial instruments by categories as of 31st March, 2017 is as follows:

(Rs crores )

	Fair value through P&L	Fair value through OCI	Derivative instruments in not hedging relationships (NDH)	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>						
Cash and cash equivalents				64.06	64.06	64.06
Other bank balances				47.00	47.00	47.00
Trade receivables				464.30	464.30	464.30
Investments (Other than in Subsidiary)	116.97			-	116.97	116.97
Investments (in Subsidiary)		3.40			3.40	3.40
Other financial assets			13.13	391.14	404.27	404.27
<b>Total</b>	<b>116.97</b>	<b>3.40</b>	<b>13.13</b>	<b>966.50</b>	<b>1,100.00</b>	<b>1,100.00</b>
<b>Liabilities:</b>						
Trade and other payables				2,412.52	2,412.52	2,412.52
Borrowings				10,195.11	10,195.11	10,195.11
Other financial liabilities			774.95	99.57	874.52	874.52
<b>Total</b>	<b>-</b>	<b>-</b>	<b>774.95</b>	<b>12,707.20</b>	<b>13,482.15</b>	<b>13,482.15</b>

The carrying value of financial instruments by categories as of 31st March, 2016 is as follows:

(Rs crores )

	Fair value through P&L	Fair value through OCI	Derivative instruments in not hedging relationships (NDH)	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>						
Cash and cash equivalents				227.01	227.01	227.01
Bank deposits				-	-	-
Trade receivables				514.75	514.75	514.75
Investments (Other than in Subsidiary)	91.24			-	91.24	91.24
Investments (in Subsidiary)		3.40			3.40	3.40
Other financial assets			80.42	41.95	122.37	122.37
<b>Total</b>	<b>91.24</b>	<b>3.40</b>	<b>80.42</b>	<b>783.71</b>	<b>958.77</b>	<b>958.77</b>
<b>Liabilities:</b>						
Trade and other payables				1,871.52	1,871.52	1,871.52
Borrowings				14,281.68	14,281.68	14,281.68
Other financial liabilities			894.08	393.39	1,287.47	1,287.47
<b>Total</b>	<b>-</b>	<b>-</b>	<b>894.08</b>	<b>16,546.59</b>	<b>17,440.67</b>	<b>17,440.67</b>

The carrying value of financial instruments by categories as of 1st April, 2015 is as follows:

(Rs crores )

	Fair value through P&L	Fair value through OCI	Derivative instruments in not hedging relationships (NDH)	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>						
Cash and cash equivalents				307.36	307.36	307.36
Trade receivables				601.65	601.65	601.65
Investments (Other than in Subsidiary)	181.34			-	181.34	181.34
Investments (in Subsidiary)		3.40			3.40	3.40
Other financial assets			110.67	0.01	110.68	110.68
<b>Total</b>	<b>181.34</b>	<b>3.40</b>	<b>110.67</b>	<b>909.02</b>	<b>1,204.43</b>	<b>1,204.43</b>
<b>Liabilities:</b>						
Trade and other payables				924.68	924.68	924.68
Borrowings				15,148.05	15,148.05	15,148.05
Other financial liabilities			890.87	547.96	1,438.83	1,438.83
<b>Total</b>	<b>-</b>	<b>-</b>	<b>890.87</b>	<b>16,620.69</b>	<b>17,511.56</b>	<b>17,511.56</b>

pd HK

## Coastal Gujarat Power Limited

### Notes forming part of the Financial Statements All amounts are in Rs. crores unless otherwise stated

#### 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.
- 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).
- 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.

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 disclosure are required):

	Level 1	Level 2	Level 3
<b>As at 31st March, 2017</b>			
<b>Financial assets:</b>			
Mutual fund units	116.97		
Derivative financial assets		13.13	
<b>Total</b>	<b>116.97</b>	<b>13.13</b>	<b>-</b>
<b>Financial Liabilities</b>			
Derivative financial liabilities	-	774.95	
<b>Total</b>	<b>-</b>	<b>774.95</b>	<b>-</b>
<b>As at 31st March, 2016</b>			
<b>Financial assets:</b>			
Mutual fund units	91.24		
Derivative financial assets		80.42	
<b>Total</b>	<b>91.24</b>	<b>80.42</b>	<b>-</b>
<b>Financial Liabilities</b>			
Derivative financial liabilities	-	894.08	
<b>Total</b>	<b>-</b>	<b>894.08</b>	<b>-</b>
<b>As at 1st April, 2015</b>			
<b>Financial assets:</b>			
Mutual fund units	181.34		
Derivative financial assets		110.67	
<b>Total</b>	<b>181.34</b>	<b>110.67</b>	<b>-</b>
<b>Financial Liabilities</b>			
Derivative financial liabilities	-	890.87	
<b>Total</b>	<b>-</b>	<b>890.87</b>	<b>-</b>

The Company has mainly foreign currency exposures in USD, Euro and JPY. The Company monitors and manages the Currency risk and Interest rate risk relating to its exposures by analysing level and extent of currency risks.

The Company uses various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward, option and Interest Rate Swaps contracts to manage and mitigate its exposure to foreign exchange rates. The counterparty is generally a bank.

The Company report monthly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

pd 15

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
**All amounts are in Rs. crores unless otherwise stated**

**26.9 Income tax**

**(a) Current tax**

The Company does not have taxable profit for the year, accordingly current tax expense for the year ended 31st March, 2017 is Nil.

**(b) Deferred tax**

**(i) Movement of Deferred Tax**

Particulars	For the Year ended 31st March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment and intangible assets	(3,681.19)	(86.61)		(3,767.80)
On Impact of measuring derivative financial instruments at fair value	(27.83)	23.29		(4.54)
Fair valuation of Mutual fund Investment	(0.11)	0.08		(0.03)
Deferred tax liabilities total	(3,709.13)	(63.24)	-	(3,772.37)
<u>Tax effect of items constituting deferred tax assets</u>				
Unabsorbed Depreciation	3,650.77	(12.79)		3,637.98
Allowance for Doubtful debts	30.21	-		30.21
On Impact of measuring derivative financial instruments at fair value	27.68	76.46		104.14
Provision for Employee benefits	0.48	(0.44)		0.04
Deferred tax assets total	3,709.13	63.24	-	3,772.37
<b>Net Deferred Tax Asset/ (Liabilities)</b>	-	-	-	-

Particulars	For the Year ended 31st March 2016			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment and intangible assets	(2,621.55)	(1,059.65)		(3,681.19)
On Impact of measuring derivative financial instruments at fair value	(37.62)	9.78		(27.83)
Fair valuation of Investment	(0.33)	0.22		(0.11)
Deferred tax liabilities total	(2,659.49)	(1,049.64)	-	(3,709.13)
<u>Tax effect of items constituting deferred tax assets</u>				
Unabsorbed Depreciation	2,632.11	1,018.66		3,650.77
Allowance for Doubtful debts	-	30.21		30.21
On Impact of measuring derivative financial instruments at fair value	27.39	0.29		27.68
Provision for Employee benefits	-	0.48		0.48
Deferred tax assets total	2,659.49	1,049.64	-	3,709.13
<b>Net Deferred Tax Asset/ (Liabilities)</b>	-	-	-	-

pd HK

**Coastal Gujarat Power Limited**

**Notes forming part of the Financial Statements**  
**All amounts are in Rs. crores unless otherwise stated**

**26.9 Income tax- Continued**

(ii) Amounts on which deferred tax asset has not been created:

Particulars	Rs in Crores		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Unabsorbed depreciation	2,717.54	1,467.96	3,475.01
<b>Total</b>	<b>2,717.54</b>	<b>1,467.96</b>	<b>3,475.01</b>

Unrecognized deferred tax assets on unused tax losses expire based on the year of origination as follows:

31st March	Unused Tax losses	
	Gross amount	Deferred tax
2020	88.65	30.68
2021	269.39	93.23
2022	650.88	225.27
thereafter	482.07	166.84

Company is having brought forward business losses as above. Company is not expecting to utilise these losses in near future based on projections made by the Company. Accordingly, the Company has not recognized any deferred tax on the brought forward tax losses.

pd/k

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

a) Names of the related parties and description of relationship with which transactions have taken place:

Sr No	Name of the related party	Nature of relationship	Country of origin
I	The Tata Power Company Limited (TPCL)	Holding Company	India
II	Energy Eastern Pte. Limited (EEPL)	Wholly owned Subsidiary	Singapore
III	Trust Energy Resources Pte. Limited (TERPL)	Fellow Subsidiary #	Singapore
IV	Maithon Power Limited (MPL)	Fellow Subsidiary #	India
V	Industrial Energy Limited (IEL)	Joint venture of Holding Company #	India
VI	Tata Power International Pte. Limited (TPIPL)	Fellow Subsidiary #	Singapore
VII	Tata Power Trading Company Limited	Fellow Subsidiary #	India
VIII	PT Kaltim Prima Coal (KPC)	Joint venture of Holding Company #	Indonesia
IX	Indocoal Resources (Cayman) Ltd.	Joint venture of Holding Company #	Indonesia
X	Mr. Krishna Kumar Sharma - Executive Director & CEO	Key Management Personnel (KMP)	India

# Fellow subsidiaries with which transactions have taken place.  
Note: Related parties have been identified by the Management.

b) Details of related party transactions and balances outstanding for the Year ended 31<sup>st</sup> March, 2017:

Rs in Crores

	TPCL	EEPL	TERPL	MPL	IEL	TPIPL	TPTCL	KPC	Indo coal	KMP
Purchase of Assets	-	-	-	-	-	0.02	-	-	-	-
Purchase of Goods	(4.19)	-	-	-	-	-	-	3,316.92	-	-
Rendering of service	0.19	0.38	-	-	-	5.55	-	-	-	-
Receiving of services	(3.15)	(308.77)	(195.05)	-	-	(3.09)	-	(2637.65)	-	1.24*
Interest expenditure	179.41	0.38	0.20	-	-	-	-	-	-	-
Equity Contribution	(49.85)	-	-	-	-	-	-	-	-	-
Loan taken	(1,061.18)	-	-	-	-	-	-	-	-	-
Loan repaid	Refer note below	-	-	-	-	-	-	-	-	-
Unsecured perpetual securities (refer note below)	4,459.89	-	-	-	-	-	-	-	-	-
Guarantees and collaterals Given	(1,639.15)	-	-	-	-	-	-	-	-	-
Guarantees and collaterals returned	1,096.06	1.40	-	-	-	-	-	-	-	-
	(2,057.75)	-	-	-	-	-	-	-	-	-

Red. 11

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

Other Equity (Deemed Equity)	179.41	-	-	-	-	-	-	-	-	-
	(346.11)	-	-	-	-	-	-	-	-	-
Balances outstanding end of the period										
Guarantees and Collateral outstanding given by TPCL	2,781.69	-	-	-	-	-	-	-	-	-
	(3,039.24)	-	-	-	-	-	-	-	-	-
	[3,403.27]	-	-	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL (difference due to exchange fluctuations)	-	64.85	-	-	-	-	-	-	-	-
	-	(66.25)	-	-	-	-	-	-	-	-
	-	[62.50]	-	-	-	-	-	-	-	-
Trade payables/(Receivable) (net)	2.37	169.87	147.55	0.07	(0.04)	(1.25)	-	1837.75	0.81	-
	(2.57)	(193.29)	(167.08)	(0.04)	(0.02)	(3.09)	-	(1273.26)	(1.00)	-
	[17.68]	[287.19]	[126.84]	-	[0.02]	-	-	[262.65]	[1.26]	-
Loans taken including interest accrued	-	-	-	-	-	-	-	-	-	-
	(3,795.88)	-	-	-	-	-	-	-	-	-
	[3,034.56]	-	-	-	-	-	-	-	-	-
Unsecured Perpetual securities	4,459.89	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Deemed Equity	592.85	-	-	-	-	-	-	-	-	-
	(413.44)	-	-	-	-	-	-	-	-	-
	[67.33]	-	-	-	-	-	-	-	-	-

Notes:

1) During the period, loan from the holding Company amounting to Rs. 3,484.29 crores (Previous period- Nil) has been converted into Unsecured perpetual securities.

Figures in bracket '( )' relates to the comparative figures for the related party transaction for the year ended 31<sup>st</sup> March, 2016 and balance outstanding are as on 31<sup>st</sup> March, 2017 and in bracket '[ ]' are balance outstanding as on 1<sup>st</sup> April, 2015.

\*The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

### 26.11 Earnings per share

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit/(Loss) after tax attributable to equity shareholders (Rs. crores)	(849.74)	1,437.15
Weighted average number of equity shares outstanding during the period	6,066,866,575	6,021,703,060
Basic earnings per share (in Rupees)	(1.40)	2.39
Nominal value per share (in Rupees)	10.00	10.00

pd HK

**Coastal Gujarat Power Limited**

Notes forming part of the Financial Statements

**Diluted earnings per share working**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Net profit for the period attributable to the equity shareholders for basic EPS	(849.74)	1,437.15
Add: interest expenses on loan taken from Holding Company	---	328.56
Profit attributable to equity shareholders on dilution	(849.74)	1,765.71

**Reconciliation of equity shares**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount used as denominator for basic EPS (no. of shares)	6,066,866,575	6,021,703,060
Add: Potential Equity Shares on conversion of loan from shareholders (no. of shares)	-	3,795,886,423
Amount used as denominator for diluted EPS (no. of shares)	6,066,866,575	9,817,589,483.21
Nominal value per share (in Rupees)	10.00	10.00
Diluted Earnings Per Share (in Rupees)	(1.40)	1.80

pd. H

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

27 First-time Ind AS adoption reconciliation

27.1 Effect of Ind AS adoption on the consolidated balance sheet as at 31st March, 2016 and 1st April, 2015

(Rs in Crores)

ASSETS	Notes	As at 31st March, 2016 (End of last period presented under previous GAAP)			As at 1st April, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Non-current assets</b>							
(a) Property, plant and equipment	a,b,c	16,809.11	1,073.31	17,882.42	14,532.26	1,359.03	15,891.29
(b) Capital work-in-progress		79.48	-	79.48	5.13	-	5.13
(c) Other intangible assets		134.30	-	134.30	119.66	-	119.66
(d) Financial Assets : Investments in Subsidiary		3.40	-	3.40	3.40	-	3.40
(e) Non Current tax assets (Net)		9.48	-	9.48	8.66	-	8.66
(f) Other non-current assets	c,d,f	253.32	(62.72)	190.60	277.14	(83.54)	193.60
<b>Total non-current assets</b>		<b>17,289.09</b>	<b>1,010.59</b>	<b>18,299.68</b>	<b>14,946.25</b>	<b>1,275.49</b>	<b>16,221.74</b>
<b>Current assets</b>							
(a) Inventories		322.30	-	322.30	394.23	-	394.23
(b) Financial Assets							
(i) Investments	e	90.93	0.31	91.24	180.37	0.97	181.34
(ii) Trade receivables		514.75	-	514.75	601.65	-	601.65
(iii) Cash and cash equivalents		227.01	-	227.01	307.36	-	307.36
(iv) Other financial assets	d	50.59	71.78	122.37	3.82	106.86	110.68
(c) Other current assets	c,f	89.88	(88.77)	1.11	127.18	(82.14)	45.04
<b>Total current assets</b>		<b>1,295.46</b>	<b>(16.68)</b>	<b>1,278.78</b>	<b>1,614.61</b>	<b>25.69</b>	<b>1,640.30</b>
<b>Total assets</b>		<b>18,584.55</b>	<b>993.91</b>	<b>19,578.46</b>	<b>16,560.86</b>	<b>1,301.18</b>	<b>17,862.04</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital	a,b,c,d,e,f	6,030.42	-	6,030.42	5,980.57	-	5,980.57
(b) Other Equity		(4,185.81)	(1,601.77)	(5,787.58)	(6,199.85)	(1,370.65)	(7,570.50)
		1,844.61	(1,601.77)	242.84	(219.28)	(1,370.65)	(1,589.93)
<b>Total Equity</b>		<b>1,844.61</b>	<b>(1,601.77)</b>	<b>242.84</b>	<b>(219.28)</b>	<b>(1,370.65)</b>	<b>(1,589.93)</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		2,219.79	-	2,219.79	1,908.46	-	1,908.46
(ii) Other financial liabilities		196.46	-	196.46	196.46	-	196.46
(b) Provisions		15.85	-	15.85	12.97	-	12.97
(c) Other non-current liabilities	b	-	1,821.89	1,821.89	-	1,872.61	1,872.61
<b>Total non-current liabilities</b>		<b>2,432.10</b>	<b>1,821.89</b>	<b>4,253.99</b>	<b>2,117.89</b>	<b>1,872.61</b>	<b>3,990.50</b>
<b>Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	f	12,061.89	-	12,061.89	13,239.59	-	13,239.59
(ii) Trade Payables	d	1,882.49	(10.97)	1,871.52	935.32	(10.64)	924.68
(iii) Other financial liabilities	d	243.62	847.39	1,091.01	398.11	844.26	1,242.37
(b) Provisions		1.03	-	1.03	1.47	-	1.47
(c) Deferred Tax Liability							
(d) Other current liabilities	b	118.81	(62.63)	56.18	87.76	(34.40)	53.36
<b>Total current liabilities</b>		<b>14,307.84</b>	<b>773.79</b>	<b>15,081.63</b>	<b>14,662.25</b>	<b>799.22</b>	<b>15,461.47</b>
<b>Total Liabilities</b>		<b>16,739.94</b>	<b>2,595.68</b>	<b>19,335.62</b>	<b>16,780.14</b>	<b>2,671.83</b>	<b>19,451.97</b>
<b>Total Equity And Liabilities</b>		<b>18,584.55</b>	<b>993.91</b>	<b>19,578.46</b>	<b>16,560.86</b>	<b>1,301.18</b>	<b>17,862.04</b>

pd HZ

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

27.2 Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

(Rs in Crores)			
Particulars	Notes	As at 31st March, 2016 (End of last period presented under previous GAAP)	As at 1st April, 2015 (Date of transition)
<b>Total equity (shareholders' funds) under previous GAAP</b>		<b>1,844.61</b>	<b>(219.28)</b>
<b>Adjustments under INDAS</b>			
1) Decapitalisation of foreign exchange losses under IND AS (net of depreciation) from Property, plant and equipment	a	(789.89)	(554.55)
2) Depreciation on Property plant and equipment on account of government grant grossing up	b	(156.40)	(105.68)
3) Recognition of deferred revenue income under government grant	b	156.40	105.68
4) Change in fair value of derivative contracts	d	(731.27)	(719.27)
5) Derecognition of transaction costs due to change in loan classification	f	(84.46)	(101.10)
6) Investment at fair value	e	3.85	4.27
<b>Total adjustments to equity</b>		<b>(1,601.77)</b>	<b>(1,370.65)</b>
<b>Total equity under Ind AS</b>		<b>242.84</b>	<b>(1,589.93)</b>

27.3 Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended March 31, 2016.

(Rs. in Crores)					
		As at 31st March, 2016 (End of last period presented under previous GAAP)			
		Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
I	Revenue from Operations	b	5,927.55	50.72	5,978.27
II	Other Income	a,d,e	(82.03)	(481.61)	(563.64)
III	<b>Total Income (I + II)</b>		<b>5,845.52</b>	<b>(430.89)</b>	<b>5,414.63</b>
IV	<b>Expenses</b>				
(a)	Cost of fuel		4,126.17		4,126.17
(b)	Employee benefit expenses	g	53.44	(0.34)	53.10
(c)	Finance costs	d, f	1,040.78	250.89	1,291.67
(d)	Depreciation and amortization expenses	a, b, c	428.92	10.56	439.48
(e)	Reversal of Impairment on property plant and equipment and intangible assets	a	(2,320.00)	(115.46)	(2,435.46)
(f)	Other expenses	c	502.16	0.36	502.52
	<b>Total expenses (IV)</b>		<b>3,831.48</b>	<b>146.01</b>	<b>3,977.48</b>
V	<b>Profit/(Loss) Before tax (III-IV)</b>		<b>2,014.04</b>	(576.90)	1,437.15
VI	Tax Expense		-	-	-
VII	<b>Profit/(Loss) After Tax (V- VI)</b>		<b>2,014.04</b>	<b>(576.90)</b>	<b>1,437.15</b>
VIII	<b>Other comprehensive income</b>				
(i)	Items that will not be reclassified to profit and loss				
	(a) Others - actuarial valuation		-	0.34	0.34
VIII	<b>Total other comprehensive income</b>		-	0.34	0.34
IX	<b>Total comprehensive income (VII+IX)</b>		<b>2,014.04</b>	<b>(577.24)</b>	<b>1,436.81</b>

pd:HS

Coastal Gujarat Power Limited

Notes forming part of the Financial Statements  
All amounts are in Rs. crores unless otherwise stated

27.4 Reconciliation of total comprehensive income for the year ended 31st March, 2016

(Rs. in Crores)

Particulars	Notes	As at 31st March, 2016 (End of last period presented under previous GAAP)
<b>Profit as per Previous GAAP</b>		<b>2,014.04</b>
<b>Adjustments under INDAS</b>		
Decapitalisation of foreign exchange losses under IND AS	a	(390.67)
Net Depreciation impact increase in respect of increase in value of fixed assets by Government grant and reversal of forex loss	a, b	(10.91)
Reversal of depreciation impact on Impairment reversal	a	115.51
Change in fair value of derivative contracts	d	(12.00)
Recognition of income for the year from deferred revenue from Government Grant	b	50.72
Derecognition of transaction costs due to change in loan classification (Refer note B(e) below)	f	16.64
Deemed Equity - Waiver of interest on Loan from the Holding Company and Guarantee commission	h	(346.11)
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	g	0.34
Others		(0.41)
<b>Total effect of transition to Ind AS</b>		<b>(576.89)</b>
<b>Profit for the year as per Ind AS</b>		<b>1,437.15</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>(0.34)</b>
<b>Total comprehensive income under Ind AS</b>		<b>1,436.81</b>

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with loss under the previous GAAP.

	Notes	As at 31st March, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cashflows from operating activities		2,178.75	(226.64)	1,952.11
Net cashflows from investing activities		(185.36)	160.62	(24.74)
Net cashflows from financing activities		(2,074.70)	66.98	(2,007.72)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(81.31)</b>	<b>0.96</b>	<b>(80.35)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>308.32</b>	<b>(0.96)</b>	<b>307.36</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>227.01</b>	<b>-</b>	<b>227.01</b>

pd HC

**Coastal Gujarat Power Limited**  
**Notes forming part of the Financial Statements**

**Notes to reconciliation**

- a) Cost of Property, Plant and Equipments (PPE) and Depreciation  
Under IND AS, the Company has elected to apply IND AS 16 Property, plant and equipment from the date of acquisition of property, plant and equipment. Accordingly, the Company has decapitalised loss on exchange (net) of Rs. 2097.41 crores (Rs. 1,706.75 crores as at 1st April, 2015) capitalised under previous GAAP in accordance with Paragraph 46 of Accounting Standards 11 "The Effects of changes in foreign exchange rates. Further, the Company has capitalised exchange losses in respect of earlier years aggregating to Rs. 432.09 crores as at 31st March, 2016 (Rs 432.09 crores as at 1st April, 2015), on loans acquired for purchase of Property, Plant and Equipment to the extent to which exchange loss did not exceed the difference between the cost of borrowings in Indian Rupees when compared to the cost of borrowing in foreign currency in accordance with IND AS. These adjustments have resulted in a net decrease of Rs. 1,665.32 crores as at 31st March, 2016 (Rs. 2,097.41 crores – Rs. 432.09 crores) (Rs. 1,274.66 crores as at 1st April, 2015 (Rs. 1,706.75 crores – Rs. 432.09 crores)) in value of Property, Plant and Equipment.

Consequently change in depreciation reversal of Rs 875.43 crores as at 31st March, 2016 (Rs. 720.11 crores as at 1st April, 2015) crores has been adjusted to retained earnings as on 31st March 2016 and 1st April, 2015 respectively.

- b) Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance  
Under Ind AS, grant specific to property, plant and equipment should be treated as deferred income which is recognised in statement of profit and loss over the periods and in proportion to depreciation of related assets. Under previous GAAP, such non-monetary grant was not considered in the cost of the asset.

In accordance with the Standard, since the grant relates to assets, the Company has recognized a deferred income of Rs. 1,872.61 crores as at 31st March, 2016 (includes Rs.50.72 crore shown as current liability and is net of amortization till 31st March, 2016 of Rs.156.39 crores) (1st April, 2015 Rs. 1,923.33 crores (includes Rs.50.72 crore shown as current liability and is net of amortization till 31st March, 2015 of Rs.105.67 crores)) with a corresponding debit to property, plant and equipment.

- c) Leasehold land  
Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term, whereas under Ind AS Company has amortised the same over Power purchase agreement (PPA) term. This has resulted in net credit to equity of Rs. 3.19 crores (As at 1st April, 2015: Rs. 3.19 crores) and Rs 9.41 crore (1st April, 2015 Rs.9.75 crore) credit to PPE with corresponding reclassification in other assets of Rs. 12.60 crores (1st April, 2015: 12.94 crores).

- d) Derivative contracts fair valuation  
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 i.e. option contracts, forwards contracts and interest rate swap Contracts are to be recognised at fair value and the changes is recognised in statement of profit and loss.  
Accordingly, the charge of Rs. 731.27 crores as at 31st March, 2016 (Rs.719.27 crores as at 1st April, 2015) has been considered in the retained earnings as on 31st March, 2016 and 1st April, 2015 respectively. Hence, premium paid for such contracts under previous GAAP which were amortised over the period of contract has been charged to Statement of profit & loss as on 31st March, 2015.

- e) Change in fair valuation of investments  
Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under IND AS Financial assets other than those carried at amortized cost, are measured at fair value.

Investment in Mutual Funds, have been classified as fair value through profit or loss and changes in fair value are recognised in statement of profit and loss.

- f) Ancillary borrowing cost/ loan transaction costs  
Under previous gaap, ancillary borrowing cost/ loan transaction costs were amortised over tenure of loan. However under Ind AS, since the Company has breached certain loan covenants, therefore, the loans are repayable on demand as per the provisions of the Lenders' Agreement. Although, there is no notification from the Lenders for recalling the loans, in the absence of the constructive documentation to establish that loans will not be recalled within next 12 months period, the Long Term Loans aggregating to Rs. 10,127.30 crores have been reclassified as Short Term Loans under IND AS and the transaction cost of Rs. 101.10 crores relating to these loans have been charged to the opening reserve as on 1st April, 2015.

- g) Employee benefits  
Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under IND AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

- h) Deemed Equity  
The Tata Power Company Limited, the Holding Company has given Subordinated debt for deficit funding under Sponsor Support Agreement and as bridge finance for the purpose of making payment to project lenders pending disbursement of the Rupee Loans at an interest rate of 10-12 percent. IND AS 109 requires charging of imputed interest to the Statement of profit and loss as an expense with the corresponding credit to deemed equity. The Holding Company had waived interest on such loans and the guarantee commission on loans guaranteed by the Holding Company for the years 2012-13 and 2015-16. Accordingly, interest and guarantee fees aggregating to Rs. 67.33 crores and Rs. 346.11 crores for the year 2012-13 and 2015-16 respectively have been charged to the opening reserve as on 1st April, 2015 and the Statement of profit and loss for the year 2015-16 respectively.

pd. HK

## Coastal Gujarat Power Limited

Notes forming part of the Financial Statements

### 28.1 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.

28.2 The financial statements were approved by the board of directors on 9th May, 2017.

*HL*

*pd*