

**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 March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



# **S R B C & CO LLP**

Chartered Accountants

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 25.4 to the 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 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.



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## **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements, prepared in accordance with Ind AS, have been audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 9, 2017 expressed an unmodified opinion on those financial statements.

For **S R B C & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April 2018



# **S R B C & CO LLP**

Chartered Accountants

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

### **Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the immovable properties as described in note 25.2 of the financial Statements. As explained to us, registration of title deeds is in progress in respect of an immovable property acquired in earlier years aggregating to 0.51 Hectares.
- (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 during the physical verification.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation of electricity and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



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(vii) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax and other statutory dues applicable to it. The provisions relating to sales-tax, duty of custom, duty of excise, value added tax, cess are not applicable to the company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute are as follows:

Name of statute	Nature of the Dues	Amount (in crores)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending	Remarks, if any
Customs Laws	Customs Duty	23.87*	2011-12 to 2012-13	Supreme Court	
Bombay Stamp Act	Stamp Duty	22.62	2012-13 to 2016-17	Supreme Court	
Income Tax Act, 1961	Income tax	101.75	2008-09 to 2010-11	Appellate Authority – up to ITAT level	

\*net of amount paid under protest of Rs. 52.45 crores for Custom duty.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures.
- (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, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.



# **S R B C & C O L L P**

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- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & C O L L P**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF COASTAL GUJARAT POWER LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Coastal Gujarat Power Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 internal financial controls system over financial reporting.



# **S R B C & CO LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal

Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April, 2018



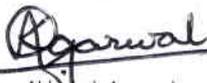
**Coastal Gujarat Power Limited**  
**Balance Sheet as at 31st March, 2018**

All amounts are in Rs. crores unless otherwise stated

ASSETS	Notes	As at	As at
		31st March, 2018	31st March, 2017
<b>Non-current Assets</b>			
(a) Property, plant and equipment	4(i)	16,745.09	17,495.29
(b) Capital Work-in-Progress		20.85	27.88
(c) Intangible Assets	4(ii)	129.68	127.64
(d) Financial Assets : Non-current Investments	5	3.40	3.40
(e) Income tax assets (Net)	6	7.06	6.94
(f) Other Non-current Assets	7	182.19	185.46
<b>Total Non-current Assets</b>		<b>17,088.27</b>	<b>17,846.61</b>
<b>Current Assets</b>			
(a) Inventories	8	763.24	510.29
(b) Financial Assets			
(i) Investments	5	-	116.97
(ii) Trade Receivables	9	325.34	464.30
(iii) Cash and cash Equivalents	10(i)	11.61	64.06
(iv) Bank Balances other than (iii) above	10(ii)	-	47.00
(v) Other financial assets	11	402.81	404.27
(c) Other Current Assets	7	1.91	1.21
<b>Total Current Assets</b>		<b>1,504.91</b>	<b>1,608.10</b>
<b>Total Assets</b>		<b>18,593.18</b>	<b>19,454.71</b>
<b>EQUITY AND LIABILITIES</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Equity</b>			
(a) Equity Share Capital	12	6,083.42	6,083.42
(b) Other Equity	13	(8,176.42)	(6,456.61)
		(2,093.00)	(373.19)
(c) Unsecured Perpetual Securities	14	5,476.88	4,459.88
<b>Total Equity</b>		<b>3,383.88</b>	<b>4,086.69</b>
<b>Non-current Liabilities</b>			
(a) Long term Provisions	16	9.74	10.40
(b) Other Non-current Liabilities	17	1,720.42	1,771.15
<b>Total Non-current Liabilities</b>		<b>1,730.16</b>	<b>1,781.55</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	10,324.96	10,195.11
(ii) Trade Payables	19	2,509.12	2,412.52
(iii) Other Financial Liabilities	15	547.49	874.52
(b) Short term Provisions	16	12.43	7.28
(c) Other Current Liabilities	17	85.14	97.04
<b>Total Current Liabilities</b>		<b>13,479.14</b>	<b>13,586.47</b>
<b>Total Equity and Liabilities</b>		<b>18,593.18</b>	<b>19,454.71</b>
<b>See accompanying notes to financial statements</b>	1-25		

In terms of our report attached.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
per Abhinav Agarwal  
Partner  
Membership no.: 112773



For and on behalf of the Board of Directors

  
Ashok S. Sethi  
Chairman

  
K.V. Ghate  
Chief Executive Officer

  
Hardeep Singh Guru  
Chief Financial Officer

  
Darshan Soni  
Company Secretary

Place : Mumbai  
Date : 23rd April, 2018

Place : Mumbai  
Date : 23rd April, 2018

**Coastal Gujarat Power Limited**  
**Statement of Profit and Loss for the year ended 31st March,2018**

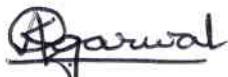
All amounts are in Rs. crores except for earnings per share information

	Notes	For the year ended 31st March,2018	For the year ended 31st March,2017
I Revenue from Operations	20	6,356.78	6,054.85
II Other Income	21	28.53	17.10
<b>III Total Income</b>		<b>6,385.31</b>	<b>6,071.95</b>
<b>IV Expenses</b>			
Cost of Fuel consumed		5,983.45	5,006.06
Employee Benefits Expense	22	55.65	55.90
Finance Costs	23	823.41	832.34
Depreciation and Amortisation Expenses	4(iii)	516.81	502.93
Other Expenses	24	416.36	524.46
<b>Total Expenses</b>		<b>7,795.68</b>	<b>6,921.69</b>
<b>V Profit Before Exceptional Items and Tax</b>		<b>(1,410.37)</b>	<b>(849.74)</b>
Exceptional Items			
Impairment of property, plant and equipment and intangible assets	4(i), (ii) & 25.3(a)	(310.94)	-
<b>VI Profit/(Loss) Before Tax</b>		<b>(1,721.31)</b>	<b>(849.74)</b>
<b>VII Tax Expense</b>		-	-
<b>VIII Profit/(Loss) After Tax</b>		<b>(1,721.31)</b>	<b>(849.74)</b>
<b>IX Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit and loss			
Remeasurement of the Defined Benefit Plans		1.50	1.30
<b>Total Other Comprehensive Income</b>		<b>1.50</b>	<b>1.30</b>
<b>X Total Comprehensive Income for the period</b>		<b>(1,719.81)</b>	<b>(848.44)</b>
<b>XI Earnings Per Equity Share</b>			
Basic (in Rs.)	25.11	(2.83)	(1.40)
Diluted (in Rs.)	25.11	(2.83)	(1.40)
<b>See accompanying notes to financial statements</b>	1-25		

In terms of our report attached.

For and on behalf of the Board of Directors

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

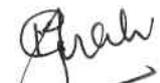


per Abhishek Agarwal  
Partner  
Membership no.: 112773





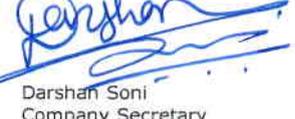
Ashok S. Sethi  
Chairman



K.V. Ghatge  
Chief Executive Officer



Hardeep Singh Guru  
Chief Financial Officer



Darshan Soni  
Company Secretary

Place : Mumbai  
Date : 23rd April, 2018

Place : Mumbai  
Date : 23rd April, 2018

**Coastal Gujarat Power Limited**  
**Cash Flow Statement For the year ended 31st March,2018**

All amounts are in Rs. crores unless otherwise stated

	For the year ended 31st March,2018	For the year ended 31st March,2017
<b>A. Cash Flow from Operating Activities</b>		
Profit/(loss) before tax	(1,721.31)	(849.74)
Adjustments for:		
Depreciation and amortisation	516.81	502.93
Impairment on assets	310.94	-
Interest Income	(1.90)	(4.76)
Dividend Income	(22.85)	-
Finance Cost	823.41	832.34
(Gain)/Loss on Sales/scraping of Assets (net)	(0.03)	0.08
(Gain)/loss on Sale of Current Investments (Including fair value change)	(1.48)	(11.73)
Amortization of Leasehold Land	0.35	0.35
Guarantee Commission	(0.37)	(0.38)
Amortisation of Government Grant	(50.72)	(50.72)
Unrealised Exchange Loss/(Gain) (Net)	11.92	(23.21)
	1,586.08	1,244.90
	(135.23)	395.16
<b>Movement in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(252.95)	(187.99)
Trade receivables	138.96	50.45
Other current assets	(0.70)	(0.10)
Other non-current assets	2.85	0.70
Other Financial Assets - Current	43.73	(349.41)
Movement in operating asset	(68.11)	(486.35)
	(203.34)	(91.19)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(17.24)	622.46
Other current liabilities	(11.90)	40.86
Short-term provisions	5.15	6.25
Long-term provisions	0.84	(4.15)
Movement in operating liability	(23.15)	665.42
Cash flow from/(used in) operations	(226.49)	574.23
Net income tax paid (net of refund)	(0.12)	2.54
<b>Net Cash Flows from/(used) in Operating Activities</b>	<b>(226.61)</b>	<b>576.77</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(63.22)	(46.75)
Proceeds from sale of fixed assets	0.10	0.06
Purchase of Current Investments	(2,379.34)	(5,478.30)
Proceeds from Sale of Current Investments	2,497.79	5,464.30
Interest Received-Others	1.90	4.76
Dividend received from Subsidiaries	22.85	-
Guarantee Commission Received	0.37	0.38
Bank Balances not considered as Cash and Cash Equivalents	47.00	(47.00)
<b>Net Cash Flow from/(used) in Investing Activities</b>	<b>127.45</b>	<b>(102.55)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Equity shares	-	53.00
Proceeds from Unsecured perpetual securities	1,017.00	664.00
Finance costs paid	(1,373.69)	(870.16)
Proceeds from Short term borrowings	1,171.14	400.00
Inter Corporate deposit taken/(repaid) (net)	335.97	-
Buyers credit movement (net)	(36.01)	36.01
Proceeds from Commercial paper	500.00	-
Repayment of Commercial paper	(500.00)	-
Repayment of Short term borrowings	(1,067.70)	(920.02)
<b>Net Cash Flow from/(used) in Financing Activities</b>	<b>46.71</b>	<b>(637.17)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(52.45)</b>	<b>(162.95)</b>
Cash and Cash Equivalents as at 31st March (Opening Balance)	64.06	227.01
<b>Cash and Cash Equivalents as at 31st March(Closing Balance)</b>	<b>11.61</b>	<b>64.06</b>



**Coastal Gujarat Power Limited**  
**Cash Flow statement for the year ended 31st March, 2018**

All amounts are in Rs. crores unless otherwise stated

<b>Note 1:</b>		
Cash and Cash Equivalents:		
(a) Balances with banks- In current accounts	11.12	64.06
(b) In other accounts	0.49	-
	<b>11.61</b>	<b>64.06</b>

**Note 2:**

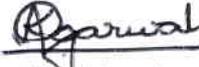
**Changes in liabilities arising from financing activities**

Particulars	01-Apr-17	Cash flows (net)	Foreign exchange management	Other	31-Mar-18
a Current borrowings (excluding items listed below in b)	10,195.11	403.40	(273.55)	-	10,324.96
b Derivatives	664.99	-	-	(284.58)	380.41
c <b>Total liabilities from financing activities</b>	<b>10,860.10</b>	<b>403.40</b>	<b>(273.55)</b>	<b>(284.58)</b>	<b>10,705.37</b>

See accompanying notes to the financial statements

In terms of our report attached.  
 For S R B C & CO LLP  
 Chartered Accountants  
 ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors

  
 per Abhishek Agarwal  
 Partner  
 Membership no.: 112773



  
 Ashok S. Sethi  
 Chairman

  
 K.V. Chate  
 Chief Executive Officer

  
 Hardeep Singh Gura  
 Chief Financial Officer

  
 Darshan Soni  
 Company Secretary

Place : Mumbai  
 Date : 23rd April, 2018

Place : Mumbai  
 Date : 23rd April, 2018

**Coastal Gujarat Power Limited**  
**Statement of changes in equity**

All amounts are in Rs. crores unless otherwise stated

**A. Equity Share Capital**

	<b>No. of Shares</b>	<b>Amount</b>
Balance as at 1st April,2016	6,03,04,20,000	6,030.42
Issue of equity shares of Rs. 10 fully paid (at par) during the year	5,30,00,000	53.00
<b>Balance as at 31st March,2017</b>	<b>6,08,34,20,000</b>	<b>6,083.42</b>
Balance as at 1st April,2017	6,08,34,20,000	6,083.42
Issue of equity shares of Rs. 10 fully paid (at par) during the year	-	-
<b>Balance as at 31st March,2018</b>	<b>6,08,34,20,000</b>	<b>6,083.42</b>

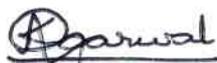
**B. Unsecured Perpetual Securities**

	<b>Amount</b>
<b>Balance as at 1st April,2016</b>	-
Issued during the year	4,459.88
<b>Balance as at 31st March,2017</b>	<b>4,459.88</b>
<b>Balance as at 1st April,2017</b>	4,459.88
Issued during the year	1,017.00
<b>Balance as at 31st March,2018</b>	<b>5,476.88</b>

**C. Other Equity**

<b>Description</b>	<b>Reserves and Surplus</b>		<b>Total</b>
	<b>Retained Earnings</b>	<b>Deemed Capital Contribution</b>	
<b>Balance as at 1st April,2016</b>	(6,201.02)	413.44	(5,787.58)
Profit/(loss) for the year	(849.74)	-	(849.74)
Other Comprehensive Income/(Expense) for the year (Net of 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>(7,049.46)</b>	<b>592.85</b>	<b>(6,456.61)</b>
<b>Balance as at 1st April,2017</b>	(7,049.46)	592.85	(6,456.61)
Profit/(loss) for the year	(1,721.31)	-	(1,721.31)
Other Comprehensive Income/(Expense) for the year (Net of Tax)	1.50	-	1.50
<b>Total Comprehensive Income for the year</b>	<b>(1,719.81)</b>	<b>-</b>	<b>(1,719.81)</b>
Contribution during the year	-	-	-
<b>Balance as at 31st March,2018</b>	<b>(8,769.27)</b>	<b>592.85</b>	<b>(8,176.42)</b>

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Abhishek Agarwal  
Partner  
Membership no.: 112773



Place : Mumbai  
Date : 23rd April, 2018

For and on behalf of the Board of Directors



Ashok S. Sethi  
Chairman



K.V. Ghate  
Chief Executive Officer



Hardeep Singh Guru  
Chief Financial Officer



Darshan Soni  
Company Secretary

Place : Mumbai  
Date : 23rd April, 2018

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 4,000MW 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) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

2.2 **Basis of preparation and presentation**

The financial statements have been prepared on 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 **Use of Estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

2.4 **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.

2.4.1 **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).

2.4.2 **Delayed payment charges**

Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence when recovered.

2.4.3 **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.

2.5 **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.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration Standard is issued and is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.



2.6 **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.

2.7 **Government Grant**

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.

2.8 **Employee Benefits**

2.8.1 **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.

2.8.2 **Defined benefits plans**

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- ▶ Net interest expense or income

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.3 **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.

2.9 **Income Taxes**

2.9.1 **Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



## 2.9.2 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.

Net movement in Deferred Tax Liability/Asset in respect of the Mumbai regulated Transmission and Distribution business, is passed on to the consumers by way of Deferred Tax Recoverable/payable to be recoverable/payable in future, as the regulations provide for a post tax return on equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses Standard is issued and is effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

## 2.10 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.



2.11 **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 25 years. Computer software is amortised on straight line method over 5 years

2.12 **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.

2.13.1 **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.

2.13.2 **Onerous contracts**

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14 **Provisions**

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

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



2.15 **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.

2.16 **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.

2.16.1 **Investment in subsidiary**

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

2.16.2 **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.

2.16.3 **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.

2.16.4 **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.16.5 **Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for 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.

2.16.6 **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.

2.17 **Financial liabilities and equity instruments**

2.17.1 **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.

2.17.2 **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.

2.17.3 **Financial liabilities**

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



**2.17.4.1 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+C24 or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**2.17.4.2 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.

**2.18 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.

**2.19 Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**2.20 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.

**2.21 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.

**2.22 Earnings per equity share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.23 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.

**2.24 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.



2.25 **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 25.9

Estimation of defined benefit obligation- Note 25.7

Estimation of useful life of PPE - Note 2.10

Estimation of value in use for impairment - Note 25.3(a)

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. **Standards issued but not yet effective**

**IND AS 115 - Revenue from Contracts with Customers**

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its financials.



**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**

Description	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, 2017	164.59	449.45	242.81	47.78	18,817.17	0.61	18.91	5.08	14.33	19,760.73
Additions	0.12	7.00	-	1.47	50.35	0.11	0.27	0.27	8.62	68.21
Disposals	-	-	-	-	(6.74)	-	-	-	(2.65)	(9.39)
<b>Balance as at 31st March, 2018</b>	<b>164.71</b>	<b>456.45</b>	<b>242.81</b>	<b>49.25</b>	<b>18,860.78</b>	<b>0.72</b>	<b>19.18</b>	<b>5.35</b>	<b>20.30</b>	<b>19,819.55</b>
<b>Accumulated depreciation and impairment</b>										
Balance as at 1st April, 2017	-	77.25	36.88	44.25	2,083.32	0.53	12.72	0.96	9.53	2,265.44
Depreciation Expense	-	10.76	8.13	0.61	485.52	0.05	1.48	0.56	3.05	510.16
Disposals	-	-	-	-	(6.73)	-	-	-	(2.59)	(9.32)
Charge for the year - Impairment (Refer note-25.3 (a))	-	7.16	3.81	0.77	295.73	0.01	0.30	0.08	0.32	308.18
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>95.17</b>	<b>48.82</b>	<b>45.63</b>	<b>2,857.84</b>	<b>0.59</b>	<b>14.50</b>	<b>1.60</b>	<b>10.31</b>	<b>3,074.46</b>
<b>Net carrying amount</b>										
<b>As at 31st March, 2018</b>	<b>164.71</b>	<b>361.28</b>	<b>193.99</b>	<b>3.62</b>	<b>16,002.94</b>	<b>0.13</b>	<b>4.68</b>	<b>3.75</b>	<b>9.99</b>	<b>16,745.09</b>
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

Description	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, 2016	164.26	446.16	242.81	47.37	18,714.73	0.61	18.68	4.79	13.96	19,653.37
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, 2016	-	66.26	28.73	43.13	1,613.00	0.49	11.19	0.51	7.64	1,770.95
Depreciation Expense	-	10.99	8.15	1.12	471.66	0.04	1.53	0.55	2.14	496.18
Disposals	-	-	-	-	(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>

\* includes land aggregating to 0.51 Hectares in respect of which registration of title in favour of the Company is pending.



**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)**

Description	Computer software	Intake Channel	Total
<b>Cost</b>			
Balance as at 1st April, 2017			
Additions	0.85	163.51	164.36
Balance as at 31st March, 2018	0.25	11.20	11.45
	<b>1.10</b>	<b>174.71</b>	<b>175.81</b>
<b>Accumulated amortisation and impairment</b>			
Balance as at 1st April, 2017			
Amortisation expense	0.72	36.00	36.72
Charge for the year - Impairment (Refer note- 25.3 (a))	0.04	6.61	6.65
Balance as at 31st March, 2018	0.02	2.74	2.76
	<b>0.78</b>	<b>45.35</b>	<b>46.13</b>
<b>Net Block</b>			
As at 31st March, 2018	0.32	129.36	129.68
As at 31st March, 2017	0.13	127.51	127.64

Description	Computer software	Intake Channel	Total
<b>Cost</b>			
Balance as at 1st April, 2016			
Additions	0.76	163.51	164.27
Balance as at 31st March, 2017	0.09	-	0.09
	<b>0.85</b>	<b>163.51</b>	<b>164.36</b>
<b>Accumulated amortisation and impairment</b>			
Balance as at 1st April, 2016			
Amortisation expense	0.51	29.46	29.97
Balance as at 31st March, 2017	0.21	6.54	6.75
	<b>0.72</b>	<b>36.00</b>	<b>36.72</b>

**4(iii) Depreciation and amortization expenses**

Depreciation on Property, Plant and Equipments as per Note 4(i)  
 Amortisation on Intangible assets as per Note 4(ii)  
**Total**

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	510.16	496.18
	6.65	6.75
<b>Total</b>	<b>516.81</b>	<b>502.93</b>

**5. Financial Assets: Non-current Investments**

Investments carried at cost less impairment, if any  
**(a) Investment in Subsidiaries**  
 Unquoted

7,11,032 Equity shares in Energy Eastern Pte. Ltd. fully paid up \* (Previous year: 7,11,032)  
 \* All shares have been pledged with lenders of the Company.

**Total (A)**

	As at 31st March, 2018	As at 31st March, 2017
	3.40	3.40
<b>Total (A)</b>	<b>3.40</b>	<b>3.40</b>

**Current Investments (at Fair Value through Profit and Loss)**

**Unquoted Investments in Mutual Funds**  
 J M High Liquidity fund- DIR - Growth  
 Invesco Liquid Fund - DIR - Growth

**Total (B)**

**Aggregate carrying value of unquoted investments Total (A + B)**

	As at 31st March, 2018		As at 31st March, 2017	
	No. of units	Amount	No. of units	Amount
	-	-	1,12,35,753	50.03
	-	-	2,98,914	66.94
<b>Total (B)</b>				<b>116.97</b>
<b>Aggregate carrying value of unquoted investments Total (A + B)</b>		<b>3.40</b>		<b>120.37</b>

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

Advance tax including tax deducted at source

	As at 31st March, 2018	As at 31st March, 2017
	7.06	6.94
	<b>7.06</b>	<b>6.94</b>



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

All amounts are in Rs. crores unless otherwise stated

**7. Other Assets**

Unsecured, considered good, unless otherwise stated

**Non-current**

Capital Advances

Unsecured, considered good  
 Doubtful

Less: Allowance for Bad and Doubtful Advances

Security Deposits

Prepaid Rentals of Leasehold Land on operating lease

Balances with Government Authorities

Revenue custom deposit  
 Customs duty paid under protest  
 Service tax refund receivable

**Current**

Advances with Government Authorities  
 Prepaid Rentals of Leasehold Land on operating lease  
 Prepaid Expenses  
 Other Advances

	As at 31st March, 2018	As at 31st March, 2017
	0.09	0.16
	-	0.50
	0.09	0.66
	-	(0.50)
	0.09	0.16
	1.66	1.68
	11.50	11.85
	116.49	116.49
	52.45	52.45
	-	2.83
	168.94	171.77
	<b>182.19</b>	<b>185.46</b>
	0.02	-
	0.38	0.38
	-	0.02
	1.51	0.81
	<b>1.91</b>	<b>1.21</b>

**8. Inventories (at lower of cost and net realisable value)**

Fuel

Coal  
 Coal - in- Transit  
 Oil

Stores and Spare Parts

Loose Tools

	As at 31st March, 2018	As at 31st March, 2017
	515.73	278.77
	173.94	153.56
	5.94	4.76
	67.25	72.85
	0.38	0.35
	<b>763.24</b>	<b>510.29</b>

Note: The method of valuation of inventories has been stated in Note 2.12

**9. Trade Receivables**

**Current**

(a) Unsecured, considered good  
 (b) Doubtful

Less: Allowance for doubtful debts

	As at 31st March, 2018	As at 31st March, 2017
	325.34	464.30
	87.28	87.28
	412.62	551.58
	(87.28)	(87.28)
	<b>325.34</b>	<b>464.30</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 form 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**

Within credit period  
 1-30 days past due  
 31-60 days past due  
 61-90 days past due  
 More than 90 days past due

	As at 31st March, 2018	As at 31st March, 2017
	325.34	464.30
	-	-
	-	-
	-	-
	87.28	87.28
	<b>412.62</b>	<b>551.58</b>

**5) Movement in the expected credit loss allowance**

Balance at the beginning of the year  
 Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses  
**Balance at the end of the year**

	As at 31st March, 2018	As at 31st March, 2017
	87.28	87.28
	-	-
	<b>87.28</b>	<b>87.28</b>



**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**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
Balances with Banks:		
- In current accounts (Refer note (1) below)	11.12	64.06
- In other accounts	0.49	-
<b>Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>11.61</b>	<b>64.06</b>

Notes:

(1) Including Rs. 0.14 crores (31st March,2017: Rs. 0.14 crores) in foreign currency.

**10(ii) Other bank balances**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
Balances with banks		
- Margin money deposit account (Refer note (i) below)	-	47.00
	-	<b>47.00</b>

Notes:

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

**11. Other Financial Assets**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
<b>Current</b>		
Security Deposits	-	0.01
Claim under change in law (Net)#	346.38	388.91
Forward contracts-not designated in hedge accounting relationship	11.24	-
Option contracts-not designated in hedge accounting relationship	44.17	13.13
Sundry Debtors-Fly Ash/Scrap	1.02	2.22
	<b>402.81</b>	<b>404.27</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.



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

All amounts are in Rs. crores unless otherwise stated

**12. Equity Share Capital**

	As at 31st March, 2018		As at 31st March, 2017	
	Number	Rs. crores	Number	Rs. crores
<b>Authorised</b>				
Fully paid equity shares of Rs. 10 each	700,00,00,000	7,000.00	700,00,00,000	7,000.00
<b>Issued and Subscribed</b>				
Fully paid equity shares of Rs. 10 each	608,34,20,000	6,083.42	608,34,20,000	6,083.42
		<b>6,083.42</b>		<b>6,083.42</b>

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	As at 31st March, 2018		As at 31st March, 2017	
	Number	Rs. crores	Number	Rs. crores
<b>Equity Shares</b>				
At the beginning of the year	6083,42,00,000	6,083.42	6030,42,00,000	6,030.42
Issued during the year	-	-	5,30,00,000	53.00
<b>Outstanding at the end of the year</b>	<b>608,34,20,000</b>	<b>6,083.42</b>	<b>6,08,34,20,000</b>	<b>6,083.42</b>

**(ii) 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.

**(iii) Details of shares held by each shareholder holding more than 5% shares**

	As at 31st March, 2018		As at 31st March, 2017	
	Number	% Holding	Number	% Holding
<b>Equity shares of Rs.10/- each fully paid</b>				
The Tata Power Company Limited	608,34,20,000	100%	608,34,20,000	100%

**13. Other Equity**

	As at 31st March, 2018	As at 31st March, 2017
	<b>Retained Earnings</b>	
Opening balance	(7,049.46)	(6,201.02)
Other comprehensive income arising from remeasurement of defined benefit	1.50	1.30
Profit/(Loss) for the year	(1,721.31)	(849.74)
<b>Closing Balance</b>	<b>(8,769.27)</b>	<b>(7,049.46)</b>
<b>Deemed capital contribution</b>		
Opening Balance	592.85	413.44
Contribution during the year (refer to note below)	-	179.41
<b>Closing Balance</b>	<b>592.85</b>	<b>592.85</b>

In the previous year, The Tata Power Company Ltd., Holding Company, waived the interest on subordinated loans and guarantee commission charged by it. The said waiver was treated as deemed capital contribution by the Holding company.

**14. Unsecured Perpetual Securities**

	As at 31st March, 2018	As at 31st March, 2017
	Opening balance	4,459.88
Add: Issued during the year	1,017.00	4,459.88
<b>Closing balance</b>	<b>5,476.88</b>	<b>4,459.88</b>

During the previous 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, this year, the Holding Company invested an additional Rs.1,017.00 crore (31st March, 2017: Rs. 664.00 crore) in unsecured perpetual securities. The perpetual securities have no maturity/redemption terms and are repayable 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.



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

All amounts are in Rs. crores unless otherwise stated

**15. Other Financial Liabilities**

**Current**

	As at 31st March,2018	As at 31st March,2017
(a) Interest accrued and due on borrowings		
-Banks and Financial Institutions	-	9.46
-Others	1.66	-
(b) Interest accrued but not due on Borrowings		
- Banks and Financial Institutions	47.84	33.72
- Others	10.50	8.96
(c) Others:		
(i) Payables for purchase of fixed assets	56.77	47.43
(ii) Interest rate swap contracts-not designated in hedge accounting relationship	273.56	474.05
(iii) Forward contracts-not designated in hedge accounting relationship	122.62	240.09
(iv) Option contracts-not designated in hedge accounting relationship	34.54	60.81
	<b>547.49</b>	<b>874.52</b>

**16. Provisions**

**Non-current**

**Employee Benefits**

	As at 31st March,2018	As at 31st March,2017
Gratuity (refer note 25.7)	9.74	10.40
	<b>9.74</b>	<b>10.40</b>

**Current**

**Employee Benefits**

Compensated Absences	8.42	7.28
Post Employment Medical Benefit (refer note 25.7)	0.59	-
Other Defined Benefit Plans (Refer note 25.7)	1.41	-
Other Employee Benefits	2.01	-
	<b>12.43</b>	<b>7.28</b>



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

All amounts are in Rs. crores unless otherwise stated

**17. Other Liabilities**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
<b>Non-current</b>		
Deferred revenue arising from Government grant (Refer Note below)	1,720.42	1,771.15
	<b>1,720.42</b>	<b>1,771.15</b>
<b>Current</b>		
Statutory remittances	11.46	4.13
Amount due to customers	22.93	42.05
Other Liabilities	0.03	0.14
Deferred revenue arising from Government grant (Refer Note below)	50.72	50.72
	<b>85.14</b>	<b>97.04</b>

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. 2,029.00 crores in respect of plant and equipment used in setting up of UMPP.

In accordance with the Standard, the Company has recognized a deferred income of Rs. 1,771.14 crores (includes Rs.50.72 crores shown as current liability) net of amortization till 31st March,2018 of Rs.257.86 crores with a corresponding debit to property, plant and equipment. The deferred income will be amortized over 36 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.

**18. Current Borrowings**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
<b>Unsecured</b>		
<b>From Banks</b>		
Buyer's Line of Credit (Refer note III below)	-	36.01
Short-term Loans (Refer note III below)	850.00	400.00
<b>From Others</b>		
Inter-corporate Deposit (Refer note III below)	335.97	-
	<b>1,185.97</b>	<b>436.01</b>
<b>Secured</b>		
From Banks (Refer note I & II below and note 25.2)	5,286.55	5,595.72
From Others (Refer note I & II below and note 25.2)	3,852.44	4,163.38
	<b>9,138.99</b>	<b>9,759.10</b>
	<b>10,324.96</b>	<b>10,195.11</b>



Coastal Gujarat Power Limited

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

Details of original terms of repayment for the borrowings:

I) INR Loans

Year of Repayment	Terms of Repayment	As at 31st March 2018	As at 31st March 2017
FY 2017-18	4 quarterly installments	-	19.32
FY 2018-19	4 quarterly installments	39.78	38.64
FY 2019-20	4 quarterly installments	78.23	77.28
FY 2020-21	4 quarterly installments	76.28	77.28
FY 2021-22	4 quarterly installments	76.28	77.28
FY 2022-23	4 quarterly installments	120.95	115.93
FY 2023-24	4 quarterly installments	163.69	154.57
FY 2024-25	4 quarterly installments	206.42	193.21
FY 2025-26	4 quarterly installments	231.57	212.53
FY 2026-27	4 quarterly installments	252.94	231.85
FY 2027-28	4 quarterly installments	327.05	309.14
FY 2028-29	4 quarterly installments	412.51	386.42
FY 2029-30	4 quarterly installments	462.80	425.07
FY 2030-31	4 quarterly installments	505.53	463.71
FY 2031-32	4 quarterly installments	456.00	463.71
FY 2032-33	4 quarterly installments	396.23	579.64
<b>Total</b>		<b>3,806.26</b>	<b>3,825.58</b>

INR Loans from:

Banks	2,815.90	2,830.20
Financial Institutions	990.36	995.38
<b>Total (A)</b>	<b>3,806.26</b>	<b>3,825.58</b>

II) Foreign currency Loans

Year of Repayment	Terms of Repayment	As at 31st March 2018		As at 31st March 2017	
		USD Millions	Rupees Crores	USD Millions	Rupees Crores
FY 2016-17	2 half-yearly installments	-	-	-	-
FY 2017-18	2 half-yearly installments	-	-	96.77	627.57
FY 2018-19	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2019-20	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2020-21	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2021-22	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2022-23	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2023-24	2 half-yearly installments	96.77	630.74	96.77	627.57
FY 2024-25	2 half-yearly installments	90.99	593.02	90.99	590.04
FY 2025-26	2 half-yearly installments	90.99	593.02	90.99	590.04
FY 2026-27	2 half-yearly installments	32.23	210.08	32.23	209.02
FY 2027-28	2 half-yearly installments	23.40	152.53	23.40	151.79
<b>Total</b>		<b>818.18</b>	<b>5,332.73</b>	<b>914.95</b>	<b>5,933.52</b>

Foreign currency Loans From:

Banks	379.06	2,470.65	426.44	2,765.52
Financial Institutions	439.12	2,862.08	488.51	3,168.00
<b>Total (B)</b>	<b>818.18</b>	<b>5,332.73</b>	<b>914.95</b>	<b>5,933.52</b>

III) Other Unsecured Loan

From	Terms of Repayment	As at 31st March 2018	As at 31st March 2017
From Banks	Repayable on demand	850.00	400.00
From Holding Company	Repayable on demand	335.97	-
Others - Buyer's credit	Repayable on demand	-	36.01
<b>Total (C)</b>		<b>1,185.97</b>	<b>436.01</b>

Total as disclosed in Note 18 (A + B + C)

10,324.96

10,195.11

19. Trade Payables

Total outstanding dues of micro enterprises and small enterprises (Refer Note 25.5)  
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31st March 2018	As at 31st March 2017
	0.54	0.59
	2,508.58	2,411.93
	<b>2,509.12</b>	<b>2,412.52</b>



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

All amounts are in Rs. crores unless otherwise stated

**20. Revenue from Operations**

	<b>For the year ended 31st March,2018</b>	<b>For the year ended 31st March,2017</b>
(a) Revenue from Power Supply	5,878.34	5,678.71
Income From Change in Law	408.12	305.73
	<u>6,286.46</u>	<u>5,984.44</u>
(b) Other Operating Revenue		
Rental Income	0.81	0.49
Income in respect of Services Rendered	1.97	6.06
Amortisation of Government Grant	50.72	50.72
Sale of Fly Ash	6.96	5.61
Insurance claim received	5.19	4.70
Liabilities Written Back	1.19	1.03
Liquidated Damages	0.94	0.20
Sale of Scrap	2.54	1.60
	<u><b>6,356.78</b></u>	<u><b>6,054.85</b></u>

**21. Other Income**

	<b>For the year ended 31st March,2018</b>	<b>For the year ended 31st March,2017</b>
<b>Interest Income</b>		
On Financial Assets held at amortised cost		
Interest Income from bank deposit	0.78	3.37
Interest Income from Overdue Trade Receivables	1.09	0.74
Interest Income from Income-Tax Refund	0.01	0.61
Interest on Financial Instruments	0.02	-
Interest Income from loans and advances	-	0.04
	<u>1.90</u>	<u>4.76</u>
Dividend income from subsidiary	22.85	-
Gain on sale of mutual fund investment	1.48	11.73
<b>Other Non-operating Income</b>		
Guarantee Commission from subsidiary	0.37	0.38
Gain/(Loss) on Disposal of Property, Plant and Equipment (Net)	0.03	(0.08)
Miscellaneous Income	1.90	0.31
	<u>2.30</u>	<u>0.61</u>
	<u><b>28.53</b></u>	<u><b>17.10</b></u>



**Coastal Gujarat Power Limited**  
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All amounts are in Rs. crores unless otherwise stated

**22. Employee Benefits Expenses**

	For the year ended 31st March,2018	For the year ended 31st March,2017
Salaries and Wages	40.68	45.62
Contribution to provident and other funds	2.07	2.02
Retiring Gratuities (Refer Note 25.7)	2.03	4.59
Leave Encashment Scheme	2.01	(1.14)
Staff Welfare Expenses	8.86	4.81
	<b>55.65</b>	<b>55.90</b>

**23. Finance Costs**

	For the year ended 31st March,2018	For the year ended 31st March,2017
<b>(a) Interest costs</b>		
Interest on loans (other than those from related parties)	619.40	624.36
Interest on loans from related parties	4.59	179.41
Other Interest and Commitment Charges	7.09	1.16
	<b>631.08</b>	<b>804.93</b>
<b>(b) Other Borrowing Cost:</b>		
Loss /(Gain) arising on Borrowings	211.40	10.70
Other Finance Costs	(19.07)	16.71
	<b>192.33</b>	<b>27.41</b>
	<b>823.41</b>	<b>832.34</b>

**24. Other Expenses**

	For the year ended 31st March,2018	For the year ended 31st March,2017
Consumption of stores and spare parts	20.04	19.28
Cost of Services	18.64	20.87
Unscheduled Interchange Charges	33.68	26.80
Rent including lease rentals	1.36	1.90
Repairs and maintenance		
- Buildings	3.55	8.41
- Intake channel charges	6.77	6.60
Repairs and maintenance - Machinery	118.58	70.35
Repairs and maintenance - Others	0.14	0.46
Dredging Charges	0.16	30.45
Insurance	25.71	28.22
Rates and Taxes	(1.16)	19.00
Travelling and Conveyance Expenses	3.35	4.50
Freight and forwarding		
- Port handling charges	29.01	32.31
- Compensation for ship deferment	37.80	143.29
Community Welfare Expenses [Refer Note 25.3 (c )]	0.83	14.41
Consultancy fees	17.23	8.52
Legal Charges	3.67	4.77
Payments to auditors	0.67	1.37
Director's sitting fees	0.35	0.38
Net (Gain)/Loss on Foreign Currency Transactions and Translation	84.33	71.84
Miscellaneous expenses	11.65	10.73
	<b>416.36</b>	<b>524.46</b>



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

**25. Additional information to the financial statements**

25.1 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.

**25.2 Borrowings (Refer Note 18)**

- 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 31st March,2018 the Company has created security on land of 1,193 hectare (31st March,2017 1,193 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 approx 38 hectares, of which the company has sought waiver of security creation from the Project lenders due to pending government approvals. The waiver requests 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 9th 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 31st March, 2018 a total sum of Rs. 6,781. crores (31st March,2017: Rs. 5,764.00 crores) was received from the Holding Company (Rs 5,100 crores as sub-debt and Rs 1,681. crores as unsecured perpetual securities) which includes Rs. 1,615.71 crores (31st March,2017: Rs. 1,615.71 crores) converted from sub-debt into equity, a sub-debt of Rs.3,484.29 crores (31st March,2017 : Rs. 3,484.29 crores) converted from sub-debt into unsecured perpetual securities as on 1st October, 2016 and fresh issue of Rs.1,681. crore towards unsecured perpetual securities. Further, during the previous 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 31st March,2017.

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 covenants and maintenance of ratios which is pending. Accordingly, the non-current portion of loans from lenders outstanding as at 31st March,2018 aggregating to Rs.8,468.47 crores (31st March,2017 Rs. 9,112.21 crores) has been classified under current financial liabilities as at the respective period end in Note-18.



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

**25.3(a) 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.

As at 31st March, 2018, the Company had in pursuance of Indian Accounting Standard 36 (Ind AS 36) - "Impairment of Assets", reassessed impairment of its Mundra UMPP, having regard to the upward revision in the fuel prices, exchange rates variation, power price beyond Power Purchase Agreement (PPA) period and operating parameters

Based on assessment as at 31st March, 2018, the Company has accounted an impairment loss of Rs 310.94 crores in respect of its Mundra UMPP, which had been recognised as an exceptional item-Impairment loss in the Statement of Profit and Loss. 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 periodically by management.

The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in the current year is 11.15 percent per annum (previous year 10.20 percent per annum).

As stated in Note no. 25.1 of the Notes forming part of the financial statements, the Company has only a single reportable segment.

- 25.3(b) The Company has incurred substantial loss during the period ended 31st March,2018 and the current liabilities are substantially in excess of the current assets as at 31st March,2018. Certain covenants governing the loans borrowed for construction of the project have not been met. Further, as stated in Note 25.2(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.
- 25.3(c) Due to continuing business losses, the Company has requested Ministry of Environment and Forests (MOEF) for waiver of condition in its Environment Consent (EC) related to annual spending of Rs.14.40 crores towards Corporate Social Responsibility expenditure (CSR) which is pending. During the year the Company has spent a lower amount towards Corporate Social Responsibility expenditure (CSR) than the Environment Consent expenditure (EC) requirement pending approval.



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

All amounts are in Rs. crores unless otherwise stated

**25.4 Contingent liabilities and commitments**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
<b>(i) Contingent liabilities</b>		
a) Corporate Guarantee issued on behalf of wholly owned subsidiary – Energy Eastern Pte. Ltd. of US\$ 10 million (Previous Year US\$ 10 million)	65.18	64.85
b) Claims of Service Tax demands against loan processing fees, upfront fees, and commitment charges paid to IFC and ADB for processing and disbursement of Loans.	27.16	-
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.	101.75	102.42
ii) Interest and penalty on above amount	Not ascertainable	Not ascertainable
d) Green cess disputed by the Company relating to issue of applicability.	286.90	233.53
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
f) Applicability of Stamp Duty on import of coal	22.62	17.31
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*	30.01*

\*Excluding Service Tax/ GST

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

**(ii) Capital Commitments**

	<b>As at 31st March,2018</b>	<b>As at 31st March,2017</b>
a. Estimated amount of Capital contracts (including intangible assets) remaining to be executed on capital account (net of capital advance) and not provided.	28.43	44.80
<b>b. Other Commitments</b>		

In terms of the Port Service Agreement entered into by the Company and valid up to 31st March, 2040, the Company paid fixed handling charges amounting to Rs. 194.29 crores as on 31st March, 2018 (31st March, 2017: Rs. 191.00 crores) 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.



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

All amounts are in Rs. crores unless otherwise stated

**25.5 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 31st March, 2018	As at 31st March, 2017
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.54	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.		
Amount unpaid to MSME vendors on account of retention money have not been considered for the purpose of interest calculation		

**25.6 Payment to Auditors\***

	As at 31st March, 2018**	As at 31st March, 2017
For statutory audit	0.22	0.61
For tax audit	0.09	0.09
For taxation matters	0.32	0.33
For other services	0.01	0.34
Reimbursement of expenses	0.03	-
<b>Total payments to the auditors</b>	<b>0.67</b>	<b>1.37</b>

\* Service tax/GST included in the above figures

\*\* Includes ₹ 0.43 crores paid to erstwhile auditors



**Coastal Gujarat Power Ltd**  
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**25.7 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 . 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. 2.07 crores (for the year ended 31st March, 2017 Rs. 2.02 crores) represents contribution payable to the Employee Provident Fund. As at 31st March, 2018 , contribution of Rs. 0.37 crores (as at 31st March, 2017: Rs 0.39 crores) due in respect of 2017-18 (FY2016-17) is paid in the subsequent reporting periods.

**2. Defined benefit plans**

**2.1 The Company operates the following unfunded defined benefit plans:**

**Gratuity**

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, 2018 by KP Actuaries and Consultants.

**Post Employment Medical Benefits**

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

**Pension**

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement.

**Ex-Gratia Death Benefit**

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

**Retirement Gift**

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

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

	As at 31st March,2018	As at 31st March,2017
Discount rate(s)	7.70% p.a.	7.2% p.a.
Expected rate(s) of salary increase	7% p.a.	7.5% p.a.
Turnover Rate - Age 21 to 44 years	2.50% p.a.	6% p.a.
Turnover Rate - Age 45 years and above	1% p.a.	0.5% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Annual Increase in Healthcare Cost	8% p.a.	8% p.a.



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2.3 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

**Unfunded Plan:**

	<b>Amount</b>
<b>Balance as at 1st April, 2016</b>	<b>7.88</b>
Current service cost	0.52
Past service cost	3.49
Interest Cost/(Income)	0.58
<b>Amount recognised in statement of profit and loss</b>	<b>4.59</b>
<b>Remeasurement (gains)/losses</b>	<b>Nil</b>
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.54)
Actuarial (gains)/losses arising from changes in financial assumptions	(4.35)
Actuarial (gains)/losses arising from experience	3.59
<b>Amount recognised in other comprehensive income</b>	<b>(1.30)</b>
Benefits paid	(0.23)
Acquisitions (credit)/cost	(0.54)
<b>Balance as at 31st March, 2017</b>	<b>10.40</b>
<b>Balance as at 31st March, 2017</b>	<b>10.40</b>
Current service cost	1.29
Past service cost	1.77
Interest Cost/(Income)	0.87
<b>Amount recognised in statement of profit and loss</b>	<b>3.93</b>
<b>Remeasurement (gains)/losses</b>	<b>Nil</b>
Actuarial (gains)/losses arising from changes in demographic assumptions	0.96
Actuarial (gains)/losses arising from changes in financial assumptions	(1.70)
Actuarial (gains)/losses arising from experience	(0.76)
<b>Amount recognised in other comprehensive income</b>	<b>(1.50)</b>
Benefits paid	(0.14)
Acquisitions (credit)/cost	(0.95)
<b>Balance as at 31st March, 2018</b>	<b>11.74</b>

**2.4 Sensitivity Analysis**

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

	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Discount rate	0.50%	0.50%	(0.78)	(0.88)	0.87	0.96
Salary growth rate	0.50%	0.50%	0.76	0.96	(0.69)	(0.88)
Mortality rates	1 year	1 year	0.03	Not Applicable	(0.03)	Not Applicable
Healthcare cost	0.50%	0.50%	0.10	Not Applicable	(0.08)	Not Applicable

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.



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

	Unfunded	
	31st March, 2018	31st March, 2017
Within 1 year	0.27	0.32
Between 1 - 2 years	1.23	0.44
Between 2 - 3 years	0.26	1.38
Between 3 - 4 years	0.24	1.44
Between 4 - 5 years	0.29	0.41
Beyond 5 years	4.35	4.12

The weighted average duration of the defined benefit obligation is 8.1 years (31st March, 2017 - 7 years).

The contribution expected to be made by the Company during the financial year 2018-19 has not been ascertained.

**2.6 Risk exposure:**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.



## Notes forming part of Financial Statements

All amounts are in Rs. crores unless otherwise stated

## 25.8 Financial Instruments

## 1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying value		Fair Value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	INR crores	INR crores	INR crores	INR crores
<b>Financial assets</b>				
Cash and Cash Equivalents	-	64.06	11.61	64.06
Other Balances with banks	11.61	47.00	-	47.00
Trade Receivables	-	464.30	325.34	464.30
Financial Investments #	325.34	116.97	-	116.97
Amortised Cost financial investments #	-	391.13	347.40	391.13
Derivative instruments not in hedging relationship	347.40	13.13	55.41	13.13
<b>Total</b>	<b>739.76</b>	<b>1,096.59</b>	<b>739.76</b>	<b>1,096.59</b>
<b>Financial liabilities</b>				
Trade Payables	-	-	-	-
Floating rate borrowings (including current maturities)	2,509.12	2,412.52	2,509.12	2,412.52
Derivative instruments not in hedging relationship	10,324.96	10,195.11	10,324.96	10,195.11
Other financial liabilities (excluding current maturities)	430.72	774.95	430.72	774.95
	116.77	99.57	116.77	99.57
<b>Total</b>	<b>13,381.57</b>	<b>13,482.15</b>	<b>13,381.57</b>	<b>13,482.15</b>

# other than investments in subsidiaries, associates and joint ventures accounted at cost in accordance with IND AS 27

Note: Certain unquoted investments are not held for trading, instead they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe this provides a more meaningful presentation for medium and long-term strategic investments, then reflecting changes in fair value immediately in profit or loss.

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, finance lease receivables, unbilled revenues, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the company's own non-performance risk. As at 31 March, 2018, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The change in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

The fair value of the company's interest-bearing borrowing and loans are determined by using DCF method using discount rate that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as on 31 March 2018 was assessed to be insignificant.

## 2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures (borrowings) and mutual funds that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and investment in redeemable non-cumulative preference shares.
- Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

Fair value hierarchy as at 31st March, 2018			
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
INR crores	INR crores	INR crores	INR crores
-	55.41	-	55.41
-	55.41	-	55.41
-	430.72	-	430.72
-	430.72	-	430.72

## Asset measured at fair value

Derivative instruments not in hedging relationship

## Liabilities measured at fair value

Derivative financial liabilities

Total



## Notes forming part of Financial Statements

All amounts are in Rs. crores unless otherwise stated

Fair value hierarchy as at 31st March, 2017			
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
INR crores	INR crores	INR crores	INR crores
116.97	-	-	116.97
-	13.13	-	13.13
<b>116.97</b>	<b>13.13</b>	<b>-</b>	<b>130.10</b>
-	774.95	-	774.95
<b>-</b>	<b>774.95</b>	<b>-</b>	<b>774.95</b>

**Asset measured at fair value**

FVTPL financial investments  
Derivative instruments not in hedging relationship

**Liabilities measured at fair value**

Derivative financial liabilities

**Total**

There has been no transfer between level 1 and level 2 during the period.

**3 Capital Management & Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 65% and 85%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

**Gearing ratio**

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

## Debt (i)

Less: Cash and Bank balances

**Net debt**

Total Capital (ii)

**Capital and net debt****Net debt to Total Capital plus net debt ratio (%)**

	31st March, 2018	31st March, 2017
Debt (i)	10,324.96	10,195.11
Less: Cash and Bank balances	11.61	111.06
<b>Net debt</b>	<b>10,313.35</b>	<b>10,084.05</b>
Total Capital (ii)	3,383.88	4,086.69
<b>Capital and net debt</b>	<b>13,697.23</b>	<b>14,170.74</b>
<b>Net debt to Total Capital plus net debt ratio (%)</b>	<b>75.30</b>	<b>71.16</b>

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

**4 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables, finance lease receivables and other financial assets that derive directly from its operations. The Company also holds FVTOCI/FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policy is approved by the board of directors, which are summarized below.

**4.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments and FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31 March, 2018 and 31 March, 2017

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2018. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

**4.1.1 Foreign currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its operations in international projects and purchase of coal from Indonesia and elsewhere and overseas borrowings. The results of the Company's operations can be affected as the rupee appreciates/depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.



## Notes forming part of Financial Statements

All amounts are in Rs. crores unless otherwise stated

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

Foreign Currency Liabilities	31st March, 2018		31st March, 2017	
	Foreign Currency Million	INR crores	Foreign Currency Million	INR crores
In USD	1,157.42	7,543.76	1,268.84	8,228.35
In EURO	0.28	2.26	0.03	0.23
In JPY	11.29	0.70	11.31	0.65

Foreign Currency Assets	31st March, 2018		31st March, 2017	
	Foreign Currency Million	INR crores	Foreign Currency Million	INR crores
In USD	0.05	0.35	0.26	1.69

## (a) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

	Effect on profit before tax	Effect on pre-tax equity
<b>As of 31st March, 2018</b>		
Rupee depreciate by INR1 against USD	-Rs.56.82 crore	-Rs.56.82 crore
Rupee appreciate by INR1 against USD	+Rs.56.96 crore	+Rs.56.96 crore
<b>As of 31st March, 2017</b>		
Rupee depreciate by INR1 against USD	-Rs.57.10 crore	-Rs.57.10 crore
Rupee appreciate by INR1 against USD	+Rs. 56.72 crore	+Rs. 56.72 crore

## Notes:

1) +/- Gain/Loss

2) The impact of depreciation/ appreciation on foreign currency other than U.S.Dollar on profit before tax of the Company is not material.

## (b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

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

## Outstanding Contracts

	31st March, 2018			
	Buy/ Sell	Foreign Currency (in millions)	Nominal Value in INR crore	Fair Value in INR crore
<b>Other Derivatives</b>				
Forward contracts				
In USD	Buy/ Sell	601.44	3,920.01	(111.37)
Option contracts				
In USD	Buy/ Sell	707.80	4,613.26	9.62

	31st March, 2017			
	Buy/ Sell	Foreign Currency (in millions)	Nominal Value in INR crore	Fair Value in INR crore
<b>Other Derivatives</b>				
Forward contracts				
In USD	Buy/ Sell	583.36	3,783.04	(240.09)
Option contracts				
In USD	Buy/ Sell	428.90	2,781.42	(47.68)



## Notes forming part of Financial Statements

All amounts are in Rs. crores unless otherwise stated

## 4.1.2 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the Company enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

## (a) Interest rate sensitivity of INR loans:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	INR crores			
	As of 31st March, 2018		As of 31st March, 2017	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(19.03)	19.03	(21.13)	21.13
Effect on profit before tax	(19.03)	19.03	(21.13)	21.13

## (b) Interest rate swap contracts:

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap. Interest rate swaps are the exchange of one set of cash flows for another.

The following table gives details in respect of outstanding receive floating, pay fixed contracts:

		INR crores		
		Less than 1 year	1 to 5 years	5 years +
31st March, 2018	Average contracted fixed interest rate %	-	2.27%	4.44%
	Nominal amounts	-	1,512.05	3,660.83
	Fair value assets (liabilities)	-	(12.04)	(261.51)
31st March, 2017	Average contracted fixed interest rate %	-	2.07%	4.43%
	Nominal amounts	-	1,694.60	4,086.14
	Fair value assets (liabilities)	-	(44.39)	(429.66)

## 4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. The Company generally deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment as listed below:

	31st March, 2018	31st March, 2017
Trade receivables	325.34	464.30
<b>Total</b>	<b>325.34</b>	<b>464.30</b>

Refer note no. 9 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

## 4.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	INR crores				
	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
<b>31st March, 2018</b>					
<b>Non-Derivatives</b>					
Borrowings (Also refer Note 25.2)	1,856.49	2,874.70	5,593.77	10,324.96	10,324.96
Future Interest on above borrowing	564.78	1,949.03	1,978.67	4,492.48	-
Trade Payables	2,509.12	-	-	2,509.12	2,509.12
Other Financial Liabilities	116.77	-	-	116.77	116.77
<b>Total Non-Derivative Liabilities</b>	<b>5,047.16</b>	<b>4,823.73</b>	<b>7,572.44</b>	<b>17,443.33</b>	<b>12,950.85</b>
<b>Derivatives</b>					
Other Financial Liabilities	430.72	-	-	430.72	430.72
<b>Total Derivative Liabilities</b>	<b>430.72</b>	<b>-</b>	<b>-</b>	<b>430.72</b>	<b>430.72</b>
<b>31st March, 2017</b>					
<b>Non-Derivatives</b>					
Borrowings (Also refer Note 25.2)	1,082.90	2,780.79	6,331.42	10,195.11	10,195.11
Future Interest on above borrowing	556.73	1,981.28	2,551.74	5,089.75	-
Trade Payables	2,412.52	-	-	2,412.52	-
Other Financial Liabilities	99.57	-	-	99.57	99.57
<b>Total Non-Derivative Liabilities</b>	<b>4,151.72</b>	<b>4,762.07</b>	<b>8,883.16</b>	<b>17,796.95</b>	<b>10,294.68</b>
<b>Derivatives</b>					
Other Financial Liabilities	774.95	-	-	774.95	774.95
<b>Total Derivative Liabilities</b>	<b>774.95</b>	<b>-</b>	<b>-</b>	<b>774.95</b>	<b>774.95</b>

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.



Coastal Gujarat Power Limited  
Notes forming part of the Financial Statements

All amounts are in Rs. crores unless otherwise stated

25.9 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, 2018 is Nil.

(b) Deferred tax

(i) Movement of Deferred Tax

Particulars	For the Year ended 31st March, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, Plant and Equipment and intangible assets	(3,755.53)	70.27	-	(3,685.26)
On Impact of measuring derivative financial instruments at fair value	(4.54)	(14.64)	-	(19.18)
Fair valuation of Mutual fund Investment	(0.03)	0.03	-	-
Deferred tax liabilities total	(3,760.10)	55.66	-	(3,704.44)
<b>Tax effect of items constituting deferred tax assets</b>				
Unabsorbed Depreciation				
Allowance for Doubtful debts	3,455.56	61.92	-	3,517.48
On Impact of measuring derivative financial instruments at fair value	30.21	-	-	30.21
Provision for Employee benefits	268.21	(119.14)	-	149.07
Deferred tax assets total	6.12	1.56	-	7.68
<b>Net Deferred Tax Asset/ (Liabilities)</b>	<b>3,760.10</b>	<b>(55.66)</b>	<b>-</b>	<b>3,704.44</b>

Particulars	For the Year ended 31st March, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, Plant and Equipment and intangible assets	(3,716.30)	(39.23)	-	(3,755.53)
On Impact of measuring derivative financial instruments at fair value	(27.83)	23.29	-	(4.54)
Fair valuation of Investment	(0.11)	0.08	-	(0.03)
Deferred tax liabilities total	(3,744.24)	(15.86)	-	(3,760.10)
<b>Tax effect of items constituting deferred tax assets</b>				
Unabsorbed Depreciation				
Allowance for Doubtful debts	3,685.88	(230.32)	-	3,455.56
On Impact of measuring derivative financial instruments at fair value	30.21	-	-	30.21
Provision for Employee benefits	27.68	240.53	-	268.21
Deferred tax assets total	0.47	5.65	-	6.12
<b>Net Deferred Tax Asset/ (Liabilities)</b>	<b>3,744.24</b>	<b>15.86</b>	<b>-</b>	<b>3,760.10</b>

25.9 Income tax- Continued

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

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Unabsorbed depreciation	3,466.38	2,903.44
<b>Total</b>	<b>3,466.38</b>	<b>2,903.44</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	1,650.96	571.40

Company is having carried 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 carried forward tax losses.



Coastal Gujarat Power Limited

Notes forming part of Financial Statements

**25.10 Related party transactions: Disclosure as required by Indian Accounting Standard (IND AS- 24) "Related Party Disclosures" are as follows:**

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 Ajmer Distribution Limited (TPADL)	Fellow Subsidiary #	India
VIII	AF-Taab Investment Co. Ltd (Af-Taab)	Fellow Subsidiary #	
IX	Walwhan Renewable Energy Limited (WREL)	Fellow Subsidiary #	India
X	Tata Power Trading Company Limited (TPTCL)	Fellow Subsidiary #	India
XI	PT Kaltim Prima Coal (KPC)	Joint venture of Holding Company #	Indonesia
XII	Indocoal Resources (Cayman) Ltd.	Joint venture of Holding Company #	Indonesia
XIII	Tata Power Solar Systems Limited (TPSSL)	Fellow Subsidiary #	India
XIV	Chemical Terminal Trombay Limited (CTTL)	Fellow Subsidiary #	India
XV	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.



Coastal Gujarat Power Limited

Notes forming part of Financial Statements

25.10(b) Details of related party transactions and balances outstanding for the Year ended 31st March, 2018:

Rs in crores

	TPCL	EEPL	TERPL	MPL	IEL	TPIPL	TPADL	CTTL
Purchase of Assets	0.02	-	-	-	-	-	-	-
	-	-	-	-	-	(0.02)	-	-
Sale of Assets	0.12	-	-	0.01	-	-	-	-
	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-
Rendering of service	0.62	0.37	-	-	0.06	0.41	-	0.03
	(0.19)	(0.38)	-	-	-	(5.55)	-	-
Receiving of services	7.75	342.26	302.93	-	-	-	-	-
	(3.77)	(313.71)	(277.36)	-	-	-	-	-
Interest expenditure	3.14	0.22	0.15	-	-	-	-	-
	(179.41)	(0.38)	(0.20)	-	-	-	-	-
Interest received	0.02	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity Contribution	(53.00)	-	-	-	-	-	-	-
Loan taken	1,205.83	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan repaid	869.86	-	-	-	-	-	-	-
	Refer note below	-	-	-	-	-	-	-
Loan Given	65.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan Principal received	65.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured perpetual securities	1,017	-	-	-	-	-	-	-
	(4,459.88)	-	-	-	-	-	-	-
Guarantees and collaterals Given by	1,104.33	-	-	-	-	-	-	-
	(838.50)	-	-	-	-	-	-	-
Guarantees and collaterals returned by	754.03	-	-	-	-	-	-	-
	(1,096.06)	(1.40)	-	-	-	-	-	-
Other Equity (Deemed Equity)	-	-	-	-	-	-	-	-
	(179.41)	-	-	-	-	-	-	-
Dividend Income	-	22.85	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Balances outstanding end of the period</b>								
Guarantees and Collateral outstanding given by TPCL	3,131.98	-	-	-	-	-	-	-
	(2,781.69)	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	65.18	-	-	-	-	-	-
	-	(64.85)	-	-	-	-	-	-
Trade payables/(Receivable) (net)	4.50	194.5	192.73	-	(0.10)	-	0.19	-
	(2.37)	(169.87)	(147.55)	(0.07)	(-0.04)	(-1.25)	-	-
Loans taken including interest accrued	338.16	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Unsecured Perpetual securities	5,476.88	-	-	-	-	-	-	-
	(4,459.89)	-	-	-	-	-	-	-
Deemed Equity	592.85	-	-	-	-	-	-	-
	(592.85)	-	-	-	-	-	-	-



Rs in crores

	Walwhan	TPTCL	KPC	Indo coal	TPSSL	Af-Taab	KMP
Purchase of Assets	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Purchase of Goods	-	-	3,391.72 (3,316.92)	-	-	-	-
Rendering of service	-	-	-	-	0.04	-	-
Receiving of services	-	(0.01)	-	-	-	-	1.36 (1.24)
Interest expenditure	-	-	-	-	-	1.45	-
Interest Received	-	-	-	-	-	-	-
Equity Contribution	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	100.00	-
Loan Repaid	-	-	-	-	-	100.00	-
Loan Given	-	-	-	-	-	-	-
Loan Principle received	-	-	-	-	-	-	-
Unsecured perpetual securities (refer note below)	-	-	-	-	-	-	-
Guarantees and collaterals Given by	-	-	-	-	-	-	-
Guarantees and collaterals returned by	-	-	-	-	-	-	-
Other Equity (Deemed Equity)	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-
<b>Balances outstanding end of the period</b>							
Guarantees and Collateral outstanding given by TPCL	-	-	-	-	-	-	-
Guarantees and Collateral outstanding given to EEPL*	-	-	-	-	-	-	-
Trade payables/(Receivable) (net)	0.01	-	1,694.48 (1,837.75)	(0.81)	-	-	-
Loans taken including interest accrued	-	-	-	-	-	-	-
Unsecured Perpetual securities	-	-	-	-	-	-	-
Deemed Equity	-	-	-	-	-	-	-

**Notes:**

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

Figures in bracket '( )' relates to the comparative figures for the related party transaction for the Year ended 31st March, 2017 and balance outstanding are as on 31st March, 2018

\* The difference is due to the currency fluctuation on the guarantee of \$10 Million given to EEPL



**25.11 Earnings Per Share:**

	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
<b>Basic earning per share</b>		
Profit/(Loss) after tax attributable to equity shareholders (Rs. crore)	(1,721.31)	(849.74)
Weighted average number of equity shares outstanding during the period	608,34,20,000	606,68,66,575
Nominal value per share (in Rs.)	10.00	10.00
Basic earnings per share (in Rs.)	(2.83)	(1.40)
<b>Diluted earnings per share</b>		
Net profit for the period attributable to the equity shareholders for basic EPS	(1,721.31)	(849.74)
Add: interest expenses on loan taken from Holding Company		179.41
Profit attributable to equity shareholders on dilution	(1,721.31)	(670.33)
Amount used as denominator for basic EPS (no. of shares)	6,08,34,20,000	6,06,68,66,575
Add: Potential Equity Shares on conversion of loan from shareholders (no. of shares)	-	-
Amount used as denominator for diluted EPS (no. of shares)	6,08,34,20,000	6,06,68,66,575
Nominal value per share (in Rs.)	10.00	10.00
Diluted Earnings per share Dilutive/(Anti Dilutive) (in Rs.)	(2.83)	(1.10)
Diluted Earnings Per Share (in Rs.)	(2.83)	(1.40)

**25.12 Restatement of corresponding previous period**

- a) For the year ended as at 31st March, 2017 the Company had recorded the benefit of customs and excise duty exemption on import of Property, plant and equipment for setting up of UMPP as government grant with effect from the transition date (i.e. 1st April, 2015). Accordingly, the Company, as at 1st April, 2015, had recognized a deferred income of Rs. 1,923.33 crores (net of amortization till 31 March 2015) with a corresponding debit to property, plant and equipment. The deferred income is being 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. The interim financial statements for period ended 31st March, 2017 are being restated to give effect to this transition adjustment, the effect of which is as follows: (in Rs. Crore)

	<b>31st March, 2017 (approved by the Board on 9th May, 2017)</b>	<b>31st March, 2017 (Restated)</b>
Amortization of government grant	-	50.72
Depreciation	452.21	502.93
Impact on change in equity	-	-
Impact on changes in profit for the year	-	-

- b) Foreign currency transactions and translation (Gain)/loss classified from Other income to Finance cost and Other expenses: (in Rs. Crore)

	<b>31st March, 2017 (approved by the Board on 9th May, 2017)</b>	<b>31st March, 2017 (Restated)</b>
<b>Other income</b>		
Net (gain)/loss on Foreign Currency transactions and translation (other than considered as finance cost)	229.10	-
<b>Finance Costs</b>		
Loss /(Gain) arising on Borrowings	-	157.26
<b>Other Expenses</b>		
Net (Gain)/Loss on Foreign Currency Transactions and Translation	-	71.84

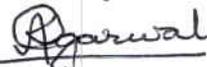
**25.13 Significant Events after the Reporting Period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

25.14 The financial statements were approved by the board of directors on 23rd April, 2018

In terms of our report attached.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
per Abhishek Agarwal  
Partner  
Membership no.: 112773



For and on behalf of the Board of Directors



Ashok S. Sethi  
Chairman

  
Hardeep Singh Guru  
Chief Financial Officer

Place : Mumbai  
Date : 23rd April, 2018

  
K.V. Ghate  
Chief Executive Officer

  
Darshan Soni  
Company Secretary

Place : Mumbai  
Date : 23rd April, 2018